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MINUTES OF THE MEETING OF THE BOARD OF REGENTS
Murray State University
November 17, 1987

The Board of Regents of Murray State University met November 17, 1987, for the fall quarterly meeting, in the Board Room, Wells Hall, on the campus of the University. The meeting was called to order at 12:20 p.m., C.S.T., by Chairman William E. Beasley. Mr. Charles Bazzell, Minister of the University Church of Christ, gave the invocation.

Upon call of the roll the following members answered present: Mr. William E. Beasley, Mr. Robert C. Carter, Dr. James Hammack, Dr. Billy G. Hurt, Mrs. Irma LaFollette, Mr. Wendell Lynch, Mr. Chris McNeill, Mr. Frank Nichols, and Mrs. Virginia Strohecker. Mr. C. Waitman Taylor was absent. The Chairman stated a quorum was present to conduct business.

Present for the meeting were Dr. Kala M. Stroup, President, Mrs. Patsy R. Dyer, Secretary of the Board; Interim Vice President for Finance and Administrative Services and Treasurer of the Board Dr. Robert Ramsey; Vice President for Academic Affairs Dr. James Booth; Vice President for Student Development Dr. Frank Julian, Vice President for University Relations and Development Dr. David Perrin; Dr. Lanette Thurman, Assistant to the President; University Attorney James O. Overby; Dean of the College of Industry & Technology Dr. Kenneth Winters; Director of Accounting Services David Whitmire; members of the news media and visitors.

Industry and Technology Building named the Martha Layne Collins Center for Industry and Technology

Mr. Carter, Chairman of the Buildings and Grounds Committee, introduced the following resolution and moved its adoption:

WHEREAS, Governor Martha Layne Collins, the 51st Governor of the Commonwealth of Kentucky, has made the education of Kentucky's young people and the economic development of the State priorities of her administration, and

WHEREAS, stating that "jobs and education are more strongly linked than ever," Governor Collins recommended and the General Assembly approved among other educational programs the funding for the Commonwealth Centers of Excellence in the State, the funding for Endowed Chairs, and the funding mechanism for the construction of a new Industry and Technology Building at Murray State University, and

WHEREAS, the Governor as Chair of the State Property and Buildings Commission provided the leadership that approved the construction of the Industry and Technology Building on the campus of Murray State University and this building will provide space and equipment for more than 2,000 students in thirteen engineering and technology programs,

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents of Murray State University with honor and pride herewith designates the new Industry and Technology Building at Murray State University the Martha Layne Collins Center for Industry and Technology in honor of and gratitude to Governor Martha Layne Collins.

BE IT FURTHER RESOLVED that the Board of Regents of Murray State University expresses its grateful appreciation to Governor Martha Layne Collins for her support of higher education and in particular to Murray State University.

Mrs. LaFollette seconded and the motion carried unanimously.

Agenda

The following agenda was presented for the meeting:

AGENDA
Meeting of the Board of Regents
Murray State University
November 17, 1987, 11:30 a.m.

1. Roll Call
2. Minutes of the Meeting of the Board of Regents held September 11, 1987
3. Report of the President Dr. Stroup
4. Report of the Chairman Mr. Beasley
5. Report of the Treasurer Dr. Ramsey
(Financial and Investment Reports for 7/1/87—9/30/87)
6. Report of the MSU Alumni Association Mr. Ben Hogancamp
7. Personnel Changes Dr. Stroup
 - A. Recommendation on Director of Development
 - B. Leaves of Absence
8. Appointments to the University Appeals Board Dr. Stroup
9. Committee Reports/Recommendations
 - A. Academic Affairs Dr. Stroup
 - (1) Bachelor of Independent Studies at Paducah Community College
 - (2) Agreement with Sydney, Australia
 - (3) Agreement with China
 - B. Athletic Mr. Lynch
 - C. Buildings and Grounds Mr. Carter
 - (1) Naming of Cabin at Hancock Biological Station
 - (2) Resolutions to raze five building structures
 - D. Development/Investment Dr. Hurt
 - E. Faculty/Staff Affairs Mr. Lynch
 - F. Finance/Audit Mr. Nichols
 - (1) Housing and Dining Rates
 - (2) Course fee for Golf
 - (3) Resolutions pertaining to Bond Issue
 - (4) Resolutions to raze five building structures
 - (5) Tuition Rates for 1988-90 Biennium
 - G. Student Life Mr. McNeill
10. Report on College of Industry & Technology Dr. Ken Winters
11. Report on Retention Program Dr. Frank Julian

Minutes of the Meeting of the Board of Regents held September 11, 1987, Approved

Mr. Carter moved that the Minutes of the Board Meeting held September 11, 1987, be approved as received. Mr. Nichols seconded and the motion carried.

Report of the President

President Stroup distributed copies of the newspaper ad: Murray State University: A Smart Investment.

Referring to planning, President Stroup stated that the Board will be involved in additional planning for the institution in January or February and distributed members responses to the question: "For Murray State University, I would like to see--." She stated that in our planning process, Dr. Booth, Dr. Thurman, and she are visiting all of the colleges and reviewing the strategic plans in each college.

The President presented the attached written report for the quarterly meeting.

(See attachment #1)

She stated that the official enrollment report sent to the Council on Higher Education was 7,376, which is 303 over last year or a little over 4%. She added that we have the strongest freshman class ever. The average ACT score in the bachelor's degree programs is 20.7, and the average for all students including associate degree students is 20, which is significantly above the national average and Kentucky's average. Students are better prepared partly because of the pre-college curriculum and our honors program which attracts strong students. The University has more national merit semifinalists and finalists than we have ever had.

In reviewing the budget scenario, President Stroup reminded the Board that its request that went forward to the Council consisted of a base 5% salary increase, fixed costs, continuation funds for the Center of Excellence, partial catch-up for benchmark faculty salaries, the faculty salary equalization plan to bring salaries up to the top 25% of the benchmark universities, and an increase for staff salaries particularly for hourly employees to comparable regional rates. It also included capital construction projects: arena, roof repairs, safety improvements, Fine Arts renovation, and major capital equipment.

She stated that in October, a hearing with the Finance Committee of the CHE was held. The Finance Committee of the Council put together the budgets of all the universities, viewed the relationship to the formula and the relationship to all universities in the State, and then made its recommendation. Last week at its meeting, the full Council voted to approve the recommendation of the Finance Committee.

She stated that as we go through the General Assembly session, it is important to understand that there is a difference in what the Board requested and what the CHE recommended. Regarding State funded capital projects, the CHE recommended only those projects that dealt with specific life safety and that protected the institution's investment in plants. Consequently, MSU projects included are asbestos pcb removal, roof repairs and replacements, steam lines, safety repairs in Lovett Auditorium, and major maintenance pool dollars. The CHE reordered the priorities of all the institutions. The CHE stated that during the time of limited dollars, the priorities needed to be projects that were of utmost urgency. Only institutions that did not use their bonding capacity the last session are requesting new construction. The University used its bonding authority on the I & T Building in the last session.

President Stroup distributed the attached document entitled: CHE Recommendations for University Funding 1988-90 Biennium, and stated the Council voted to continue the basic general fund appropriation for each institution and to add a common percentage increase to each base of 4.3%. She added that the goal was to be funded at 100% of the formula. Dr. Stroup reported that because we are the institution closest to 100%, we have the smallest dollar request for 1988-90. One hundred percent funding of the formula is at the median funding level of comparable institutions, and MSU is closer to mid-range than any of the other institutions. Consequently, there are fewer dollars for us because the CHE is endeavoring to move up the other institutions. Referring to the attachment, Dr. Stroup called attention to the 4.3% base increase, then the formula implementation increase. If MSU gets the 4.3%, some catch-up dollars, our tuition increase, and if the enrollment holds, Murray State will be able to cover fixed costs and 5% salary increases.

(See attachment #2)

In order to better understand the situation in Kentucky, the CHE put together a faculty salary study. (See attachment entitled: CHE Study of Faculty Salaries for Budget Request.) This study indicated that if our faculty salaries were at the level of our comparable benchmark group, the columns would be even with 100%; so all Kentucky institutions are below that 100%. What is dramatic about this particular chart is that we thought we were in bad shape in '83-'84, but actually we are further behind now. The benchmark institutions gave more in salary increases than we did. Kentucky continues to lose

ground in comparable faculty salaries. It is close to a crisis. Murray State made a slight improvement, and that improvement was what we did by reallocation, not state appropriated dollars. Dr. Stroup reminded the Board that our benchmarks are institutions that have similar missions—AASCU institutions, state/regional universities. MSU is not compared to Ohio State, Penn State, or the University of Georgia, but to Miami of Ohio, SEMO, etc.. The CHE recommended that another salary incentive project be funded in the 1988-90 biennium. In the last biennium, the CHE did not promote the idea of salary incentive, actually it was the idea of the General Assembly. The salary incentive project which is basically a catch-up project for faculty salaries will be reintroduced to recommend that each institution receive a certain percentage of its base for salary catch-up dollars. Some call it the faculty salary equalization plan; some call it salary incentive fund.

The Kentucky Advocates for Higher Education, the University Presidents, and the Council on Higher Education will move forward the package for higher education. What is outlined for Murray State is Murray State's part of that package.

(See attachment #3)

To alert the Board, Dr. Stroup stated that the Office of Policy and Management of the Executive Branch of State Government also puts together a budget. It pays attention to the Council in terms that the University cannot ask for more than what the Council has authorized it to request. However, this time OPM has asked us to put together a 3% budget, which is significantly lower than the one forwarded to the Council, and to put together a 5% reduction budget. All institutions in Kentucky have been asked to do the same. It will be tough in this next Session to make higher education a priority.

Referring to the attached "CHE Program Review Results, Dr. Stroup stated the University has been involved in a five-year program review, and every one of our academic programs was given a very thorough review. Hard questions were asked about each program—is it necessary; is it duplicating other programs; do we have sufficient enrollment; is the quality strong; do we have the right faculty to offer it? Throughout the State during that five-year period, 264 programs have been dropped. Comments heard are "there is nothing but duplication in the State; there are too many programs in the universities; they are wasting taxpayers dollars." She added that she believed there was not another state in the country that has had program review of the level of Kentucky. Attached is a listing of programs that the Board over the last five years has discontinued. As Regents visit with legislators, this is an important piece of information to have available.

(See attachment #4)

Regarding internal finances, President Stroup mentioned that the Arthur Andersen consultants, Vice President Ramsey, David Whitmire, and personnel in accounting services are working long hours to address both the internal auditing control system and the payroll/personnel system, and that progress is being made.

Dr. Stroup reported the receipt of notification of full approval status for our baccalaureate degree in nursing and that the accrediting team for our medical laboratory technology program has been here. We are expecting to be reaccredited although we have not received notification.

Dr. Stroup stated that President Wu of Yunnan Normal University was on campus last week and called attention to the agenda item on a recommendation to sign the agreement with Yunnan Normal University in China.

President Stroup reported that screening committees are in the process of reviewing credentials for the positions of vice president for finance and administrative services, dean of fine arts and communication, and dean of continuing education.

Report of the Chairman

Chairman Beasley commended the Board for its decision to adopt the resolution naming the Industry and Technology building the Martha Layne Collins Center for Industry and Technology. Mr. Carter suggested the resolution be typeset, framed, and presented to Governor Collins.

Mr. Beasley stated that on October 15, he, Steve Zea, Executive Vice President of the Chamber of Commerce, President Stroup, Athletic Director Mike Strickland, and Vice President Dave Perrin at the invitation of President Bill Stacy visited the Show-Me-Center at Southeast Missouri State University. Of special interest to the group was the financial package put together for the building by the University, State of Missouri, County and City.

He reported that the Kentucky Advocates for Higher Education met in Frankfort on October 28, and presented awards to six outstanding alumni of Kentucky (OAK) and that Dr. Forrest Pogue, an alumnus of Murray State, was one of the honorees.

Mr. Beasley reported that in early October he and Mr. Nichols attended the Association of Governing Boards Workshop on Development and Fund Raising in San Francisco. He reminded the Board that as public funds diminish, development and fund raising become very important to the University, and stated that he looked forward to working with Chuck Ward, the new Director of Development. He reported that Dr. Hurt attended the Joint Investments Committee meeting which is comprised of representatives of the MSU Foundation and the Alumni Association. Mr. Beasley representing the Regents attended the MSU Foundation Trustees meeting during Homecoming weekend.

Report of the Treasurer

Dr. Ramsey presented the attached Financial and Investments Reports for the period July 1 - September 30, 1987, and called for questions. There being no questions, the Reports were received by the Board.

(See attachments #5 a, b)

Report of the MSU Alumni Association

Mr. Ben Hogancamp, President-elect of the Association, presented the report for the MSU Alumni Association, stating that 1) chapter meetings have been held or are scheduled in several locations this fall, 2) the affinity credit card program is underway, 3) the Alumni Directory is being updated and reissued, 4) there are 200 students actively involved in the Student Alumni Association, and 5) the Association received the CASE bronze award for its 1986 Homecoming activities.

Personnel Changes, Approved

President Stroup stated that Chuck Ward holds the B.S. in Business Administration from Southern Illinois University and has completed 59 hours of graduate work at Southern Illinois and Georgia Southern College. He comes to Murray State from the Medical College of Georgia where he served as Director of Development. Chuck previously has held alumni and/or development positions with Washington University (St. Louis, MO), McKendree College (Lebanon, IL), Salem College (Salem, WV) and the Cystic Fibrosis Foundation.

Mr. Lynch moved that the Board upon the recommendation of the President approve the appointment of Charles Ward as the Director of Development at a salary of \$46,000 effective October 5, 1987.

Mrs. Strohecker seconded and the following voted: Mr. Carter, yes; Dr. Hammack, yes; Dr. Hurt, yes; Mrs. LaFollette, yes; Mr. Lynch, yes; Mr. McNeill, yes; Mr. Nichols, yes; Mrs. Strohecker, yes; and Mr. Beasley, yes.

Upon the recommendation of the President, Mr. Nichols moved that the following people be granted leaves of absence from the University for the dates indicated:

<u>Name</u>	<u>Assignment</u>	<u>Effective</u>
C. Tracy Harrington	Director & Assoc. Prof. Faculty Resource Center	10/19/87 - 11/16/87
Donna C. Miller	Secretary, Department of Accounting	9/16/87 - 10/11/87
Verneda L. Shelby	Visiting Lecturer, Dept. of Geosciences	8/ 1/87 - 1/ 1/88

Mrs. LaFollette seconded and the motion carried.

Appointments to the University Appeals Board

President Stroup stated that KRS 164.370 provides that the Board may invest in a joint faculty-student committee the authority to suspend or expel any student for disobedience, contumacy, insubordination or immoral conduct. Pursuant to that authority, the Board in 1978 established a nine-member University Student Appeals Board consisting of six faculty and three students. The six faculty positions are staggered with two terms expiring each year. The faculty recommendations are to replace the two retiring members--Jan Naile and Willis Johnson.

Mr. McNeill moved that the Board upon the recommendation of the President appoint the following students and faculty members for the terms indicated to the University Appeals Board:

Students: One year term (1987-88)

David Jones
Bob Lawrence
Jason Brewer

Faculty: Three year term (1987-90)

Tom Wagner, Education
John Schlabach, Fine Arts & Communication

Mrs. Strohecker seconded. Dr. Hurt asked how often does this Committee function, and Dr. Julian responded that cases involving fifteen people in thirteen years have come before this Board. Upon call for the vote, the motion carried.

Committee Reports/Recommendations

A. Academic Affairs - Dr. Stroup

President Stroup stated that it is proposed that Murray State extend the BIS degree to the Paducah Community College campus beginning with the Spring 1988 semester, that this will better enable the University to provide for the educational needs of adult non-traditional students in our service region and particularly in McCracken County, and that through innovative delivery systems, students will be able to obtain the Baccalaureate degree without complete displacement from their jobs, families, and other responsibilities.

Mr. Nichols moved that the Board approve entering into a cooperative agreement between Murray State University and Paducah Community College to offer the Bachelor of Independent Studies four-year degree program to adults in the McCracken County area who have earned 60 semester hours. Mr. McNeill seconded.

Dr. Hammack asked if this program involved the appointment of a coordinator at Paducah Community College, and President Stroup responded yes. Dr. Hammack stated this seems to be an appropriate program to extend to Paducah Community College, and if interested, to other community colleges. Upon call for the vote, the motion carried.

President Stroup reviewed the Agreement between Sydney College of Advanced Education, Waterloo, Australia, and Murray State University for staff exchange. Mrs. LaFollette moved that the Board approve the Agreement for staff exchange between Sydney College of Advanced Education and Murray State University. Mr. Carter seconded.

Dr. Hammack asked what type college is Sydney, and Dr. Booth responded it is a teacher training program and the agreement is for exchanges between faculty of the College of Education. Mr. Nichols asked what type of expenditures is involved, and Dr. Booth stated that the University pays the salary of our faculty and that the cost to the University is travel. Dr. Hurt asked how did we get with this college, and Dr. Stroup responded that Dr. Janice Weaver, Dean of the College of Education, knew of this institution because of its teacher education program. It was pointed out that the University has international agreements with nine institutions. Upon call for the vote, the motion carried.

(See attachment #6)

President Stroup reviewed the Agreement between Murray State University and Yunnan Normal University, Kunming, China, and stated that President Wu was on campus to negotiate the terms of the Agreement. Mrs. LaFollette moved that the Board approve entering into the Agreement between Murray State University and Yunnan Normal University. Mr. Nichols seconded and the motion carried.

(See attachment #7)

B. Athletic - Mr. Lynch. No report.

C. Buildings and Grounds - Mr. Carter.

Mr. Carter stated that in March 1986, the Board approved the construction of a log house for visiting professors and student use at the Hancock Biological Station, that the Department of Biological Sciences solicited funds for the construction from former students, that the project has been completed, and that the Dean of the College of Science and the faculty of the Department of Biological Sciences have recommended that the structure be named in honor of Professor Alfred M. Wolfson. He added that Professor Wolfson served Murray State for thirty-nine and one-half years (1930-1969) as head of biology, that his contributions to the University are numerous, and that Dr. Wolfson still finds time to teach summer courses at the Hancock Biological Station.

Mr. Carter moved that the Board name the log cabin constructed at the Hancock Biological State "The Wolfson House," in honor of Dr. Alfred M. Wolfson. Mr. Nichols seconded and the motion carried.

For the Buildings and Grounds Committee, Mr. Carter recommended that the Board authorize the razing of five buildings on the campus of Murray State University; namely, a) Security and Information Building, b) Grounds Maintenance Building, c) Greenhouse, d) Gatlin House, and e) Doran House, that the recommendation is in keeping with the Master Campus Plan, and that this recommendation be carried forward to the Finance Committee Report for action.

D. Development/Investment - Dr. Hurt.

Dr. Hurt stated that the Agreement between the University and the MSU Foundation has been completed and is in keeping with action of the Board of Regents on June 22, 1987. In order to reflect completed action, Dr. Hurt moved that the Agreement between Murray State University and the MSU Foundation be attached to the Minutes of this meeting. Mr. Nichols seconded and the motion carried.

(See attachment #8)

E. Faculty/Staff Affairs - Mr. Lynch. No report.

F. Finance/Audit - Mr. Nichols.

Mr. Nichols moved that the Board approve the following rate schedule for Housing and Dining effective Summer 1988, and the Academic Year 1988-89:

Summer 1988 (5 weeks)

<u>Housing Rates</u>	<u>Current</u>	<u>Proposed</u>
Double Room	\$116	\$125
Private Room	175	185
<u>Dining Rates</u>		
7-3 meal ticket	168	175
7-2 meal ticket	160	170
5-3 meal ticket	149	160
5-2 meal ticket	143	150

Academic Year 1988-89

<u>Housing Rates</u>	<u>Current</u>	<u>Proposed</u>
Double Room	\$415/semester	\$440/semester
Private Room	595/semester	625/semester
College Courts, 1 bedroom	198/month	210/month
College Courts, 2 bedrooms	225/month	250/month
<u>Dining Rates</u>		
7-3 meal ticket	590/semester	625/semester
7-2 meal ticket	565/semester	600/semester
5-3 meal ticket	528/semester	560/semester
5-2 meal ticket	507/semester	540/semester

Mr. Carter seconded and the motion carried.

Mr. Nichols stated that the Golf Fee proposed is the same amount that is charged for other physical education courses such as bowling and canoeing and moved that the Board approve the new course fee in the amount of \$20.00, effective Fall 1988 for PHE 108, Golf. Mr. Lynch seconded and the motion carried.

Mr. Nichols explained that the proceeds from the sale of the Consolidated Educational Buildings Revenue Bonds, Series G, will be used for the construction of the Industry and Technology Building and for the Feasibility Study of Racer Arena. He further called attention to Page 7, Paragraph 4, of the Resolution authorizing the issuance of the bonds, which states the Chairman is authorized and directed to appoint not less than three (3) nor more than five (5) members of the Board to act as an Ad Hoc Bond Sale Committee to act on behalf of the Board solely in approving the sale of the Series G Bonds and the Chairman shall be an ex officio member of the Bond Sale Committee.

Thereupon, a motion was made by Frank Nichols and seconded by Dr. James Hammack, Jr. that the following titled Resolution, which was read in summary form to the Board, be passed and adopted:

A RESOLUTION AUTHORIZING THE ISSUANCE OF MURRAY
STATE UNIVERSITY CONSOLIDATED EDUCATIONAL BUILDINGS
REVENUE BONDS, SERIES G.

[The full Resolution being attached to these Minutes
as Exhibit A].

The motion was passed and adopted unanimously. Thereupon the Chairman declared that the motion had carried and that the Resolution had been passed and adopted and directed that the same be recorded in the Minutes of the Board of Regents.

Mr. Nichols reviewed the recommendation to raze the following five buildings on the Murray State University campus:

1. Security and Information Building, Building #48,
located on Chestnut Street north of Reagan Field.

2. Grounds Maintenance Building, Building #43, located north of the Central Heating and Cooling Plant.
3. Greenhouse, Building #95, located north of the Central Heating and Cooling Plant.
4. Gatlin House, Building #110, located at 401 North 16th Street.
5. Doran House, Building #41, located at 1603 Hamilton Avenue.

Regarding the Gatlin House, Mr. Nichols stated that it is not economically feasible to repair the house to meet State codes for continued utilization for academic purposes and that the land is to be reclaimed as a green area at a major pedestrian crossing of North 16th Street between two parking lots on each side of Hamilton Avenue. Regarding the Doran House, he reported that this land can best support the purposes of the University as an expansion of the parking lot located at 16th Street and Hamilton Avenue. Mr. Nichols reported that the Security and Information, Grounds Maintenance, and Greenhouse Buildings occupy part of the site approved by the Board as the location of the new Industry and Technology Building.

In keeping with the recommendation of the President, Mr. Nichols moved that the Board authorize the razing of the foregoing five buildings and approve the adoption of the attached resolutions in compliance with the Campus Development Plan updated in 1986. Mr. Carter seconded and the following voted: Mr. Carter, yes; Dr. Hammack, yes; Dr. Hurt, yes; Mrs. LaFollette, yes; Mr. Lynch, yes; Mr. McNeill, yes; Mr. Nichols, yes; Mrs. Strohecker, yes; and Mr. Beasley, yes. Motion carried.

(see attachments 9 a-e)

Mr. Nichols reviewed the tuition rates for 1988-89 and 1989-90 as established by the Council on Higher Education, which based the rates upon a formula using per capita income of Kentucky residents. He reported that Murray State adds the Student Activity Fee to tuition and that the present Student Activity Fee is \$40 per semester and was adopted by the Board on November 15, 1986.

Mr. Nichols moved that the Board endorse the tuition rates for the 1988-90 biennium as established by the Council on Higher Education for Murray State University as delineated on the attached page. Mr. McNeill seconded and the motion carried.

(See attachment 10)

G. Student Life - Mr. McNeill. No report.

Report on the College of Industry and Technology

Dr. Kenneth W. Winters, Dean of the College of Industry and Technology, expressed appreciation to the Board for its support, presented an oral report on the College, and distributed the attached Strategic Plan of the College.

(See attachment 11)

Report on Retention Program

Dr. Frank Julian, Vice President for Student Development, reviewed and distributed the attached report.

(See attachment 12)

Gift from Kentucky Association of Electric Cooperatives, Inc., Accepted

President Stroup stated that in the past, the Kentucky Association of Electric Cooperatives, Inc., has installed new

appliances each year in the Home Economics Department, and faculty and staff members were given the opportunity to purchase the previous year's models and that appliances not sold within a year were returned to KAEC. The KAEC has notified the University that it is necessary to terminate this programs and that it has decided to transfer ownership of all 1987 model appliances to the University and leave them in place at no cost to the University. The value estimated by KAEC is \$8,306.

Mr. Nichols moved that the Board accept the gift of electrical appliances to the Home Economics Department as per the attached list and as donated by the Kentucky Association of Electric Cooperatives, Inc. Mr. McNeill seconded and the motion carried.

(See attachment 13)

Ad Hoc Bond Sale Committee, Appointed

Chairman Beasley referred to the Resolution authorizing the issuance of the Murray State University Consolidated Educational Buildings Revenue Bonds, Series G, and appointed the following members to the Ad Hoc Bond Sale Committee: Vice Chairman Wendell Lynch, Chairman of the Buildings and Grounds Committee Bob Carter, and Chairman of the Finance/Audit Committee Frank Nichols, with Mrs. Irma LaFollette serving as substitute if needed. The Committee will meet December 2, 1987, at 1:30 p.m., to act on behalf of the Board in approving the sale of the Series G Bonds.

Executive Session

Mr. Nichols moved that the Board convene in Executive Session for the purpose of discussing possible litigation. Mrs. LaFollette seconded and the motion carried. Executive Session began at 2:15 p.m., and ended at 2:20 p.m.

Public Session

The Board reconvened in Public Session at 2:20 p.m.

Meeting Adjourned

Mr. Nichols moved and Mrs. Strohecker seconded that the meeting be adjourned. Adjournment was at 2:22 p.m.

Patsy R. Dyer
Secretary

Wendell Lynch
Chairman

ADDENDUM

MINUTES OF AD HOC BOND SALE COMMITTEE
December 2, 1987

At 1:30 p.m., C.S.T., Wednesday, December 2, 1987, the Ad Hoc Bond Sale Committee of the Board of Regents met to review bids for the purchase of the Murray State University Consolidated Educational Buildings Revenue Bonds, Series G. Committee members present were Wendell Lynch, Bob Carter, Frank Nichols, and Mrs. Irma LaFollette as alternate if needed. Others present were President Kala M. Stroup; Board Secretary Patsy R. Dyer; David Whitmire, Director of Accounting Services; Dr. Bob Ramsey, Vice President for Finance and Administrative Services; James O. Overby, University Attorney; Ms. Lisa Payne, Investment & Debt Management, Frankfort; and Ms. Sandi Nall, First Kentucky Securities Corporation, Louisville.

Board Vice Chairman Wendell Lynch chaired the meeting.

David Whitmire reviewed the bids for the purchase of the Series G bonds.

Thereupon, a motion was made by Bob Carter and seconded by Frank Nichols that the following titled Resolution, which was discussed by the Committee of the Board of Regents, be passed and adopted:

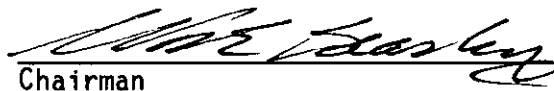
RESOLUTION RELATING TO THE MURRAY STATE UNIVERSITY
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS,
SERIES G

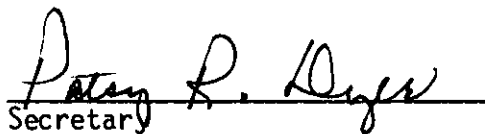
[The full resolution being attached to these minutes
as Exhibit A.]

WHEREUPON, a vote being taken on the motion, the result was unanimous.

Thereupon, the Chairman declared that the motion had carried and that the Resolution had been passed and adopted and directed that the same be recorded in the Minutes of the Board.

There being no further business to come before the Committee, the meeting adjourned at 2:00 p.m.


Chairman


Secretary

PRESIDENT'S REPORT
TO THE
MSU BOARD OF REGENTS
November 17, 1987

INTRODUCTION

Enrollment increases, groundbreaking for the new Industry and Technology Building, preparation for the Legislative Session, and accelerated strategic planning are highlights of September and October on campus. We have hosted members of the Council on Higher Education and have just submitted final revisions on the biennial budget request.

ENROLLMENT

MSU fall enrollment headcount officially recorded on the Council on Higher Education's data tape dated October 23, 1987, is 7,376. This number represents an increase of 303 over the same date in 1986.

Academically, this year's freshman class is the strongest we have ever had. We still maintain a strong second place among Kentucky institutions in ACT test scores. The average score for students enrolled in bachelors degree programs is 20.7 and in associate degree programs is 14.0, for a combined average of 20.0. Our test scores are above the national and state averages, and have significantly improved over the last four or five years. These scores have improved because we have the Pre-College Curriculum, strong admission requirements, a successful honors program, a gifted and talented series for young people, international programs, and professional accreditations. We have more National Merit Semi-finalists than ever before, and we have six National Merit Finalists in the freshman class. We continue to get our share of the Governor's Scholars and the best students from this region.

FINANCIAL ISSUES

After our 1988-90 budget request was approved by the BOR in September, we submitted it to CHE. University Presidents met with the Finance Committee on October 16 to outline major institutional needs contained in 1988-90 operating and capital budget requests. We requested full funding of the formula, which allows for: 5% salary increases, fixed cost increases, continuation funds for the Center of Excellence, and a partial catchup to benchmarks for faculty salaries. Our student credit hours generate an entire set of formulas which establish the level of funding we can request. We are presently funded at 99.3 percent of the formula. We requested funding above the formula for increases for faculty to the average of the top 25% of benchmarks and pay increases for hourly employee rates comparable to regional wages. We also requested capital construction funding for an arena, roof repairs, Fine Arts renovations, and major capital equipment. Our emphasis was placed on our top priority, better salaries for our employees. With the State revenue shortfall, the ability of the State to support commitments made in 1986 appears slim.

The full CHE approved the recommendations of the Finance Committee on November 5 and agreed to recommend 100 percent funding of the formula by 1990 and capital requests related to safety and major maintenance of our existing plant. They did not recommend Racer Arena and our requests for items outside the formula. This last week, we have been preparing the 1988-90 request for OPM of the Executive Branch of state government. We have been asked to prepare a budget based upon only a three percent increase and, additionally, a budget based upon a five percent reduction.

1988-90 BIENNIAL BUDGET PROCESS

<u>MSU Request</u>	<u>CHE Recommendations (4.3% Increase)</u>	<u>OPM Guidelines (3% Increase)</u>
State Dollars (Formula Funding) to Cover:	Tuition Increase Must Cover:	Tuition Increase Must Cover:
- Fixed Costs	- Fixed Costs	- Fixed Costs
- 5% Salaries	(100% year one, 60% year two)	(100% year one, 60% year two)
- Debt Service	State Dollars (Formula Funding) to Cover:	State Dollars to Cover:
- Center of Excellence Operating Increase	- Balance of Fixed Costs	- Balance of Fixed Costs, Year Two
Additional Dollars for:	- 5% Salaries (based upon 4.3% addition to the base)	Salaries
- Faculty Salary Equalization Plan (\$1,756,300)	- Debt Service	- 3.2% Year One *
- Faculty Salary Excellence Plan	- Faculty Salary Equalization Plan (Salary Incentive Fund, \$169,800)	- 2.75% Year Two **
- Staff Salary Equalization Plan	- Inflationary Increase for Desegregation	- Debt Service
- Desegregation Expansion		

* The guidelines permitted MSU to request additional dollars to bring salaries to a five percent level. MSU also requested additional funding for the Faculty Salary Equalization Plan.

1988-90 FIVE PERCENT REDUCTION PLAN (OPM)

Tuition Increase Must Cover:

- Fixed Costs (100% Year One, 60% Year Two)

Implementation Actions:

- No Salary Increases
- Reduced Workforce
- Curtailed Public Service Operations (Breathitt Veterinary Center, Owensboro MBA, etc.)
- Decreased Scholarship Funding for Students
- Limited Campus Maintenance
- Reductions in Operating Accounts

The Arthur Anderson consultants, authorized by the Regents in June, are now on campus. They are developing the design of the Payroll and Personnel Systems which address budget planning, implementation and organizational control. This allows for maintaining current information and more efficient identification of departmental and individual accounts as well as employee work-load distribution. In addition, they are working with an internal project team to address the internal auditing control concerns. Vice President Ramsey, David Whitmire, and the Personnel and Accounting staffs are working long hours to address the concerns outlined in the management letter.

BOARD OF REGENTS ACTIVITIES

Bill Beasley, Steve Zea (Murray-Calloway County Chamber of Commerce), Mike Strickland, Dave Perrin, and I were guests of President Bill Stacey and Board Chairman Anne Bradshaw at Southeast Missouri State University on October 15 to view the "Show Me Center." SEMO, the City of Cape Girardeau, the students, and the State of Missouri compiled a funding package to finance this beautiful \$16 million sports/athletic center facility for basketball, conventions, etc.

Regents Beasley, Nichols, Hurt, Strohecker, Hammack, LaFollette, and McNeill joined us for the Kentucky Advocates Luncheon in Frankfort on October 28.

Regents Hurt, Lynch, LaFollette, Hammack, and McNeill were on campus for Homecoming weekend activities, including the parade, game, luncheon, and open house at Oakhurst. Regents Nichols, Beasley and Hurt met with the Joint Investments Committee and the Board of Trustees of the Foundation.

Regent Strohecker represented Murray State University at the inauguration of President Nelson Grote of Morehead State University. Thank you, Virginia.

Wendell Lynch has been asked by CHE member Wendell Thomas to join a group of Regents and Council members working together to enhance the goals of the state-wide desegregation plan.

COUNCIL ON HIGHER EDUCATION

MSU representatives attended a state-wide hearing on tuition rates at Western Kentucky University on September 24. Public reaction to a mid-year tuition increase was overwhelmingly negative. As a result of three such state-wide hearings, the CHE rejected the proposal for a mid-year increase. We are all concerned about the source of revenue to compensate for the budget reductions.

Dr. Gary Cox, Executive Director, and Council staff members, Mike Gardone, Joanne Lang and Ken Walker were on campus October 22. They first met with the Cabinet and were later joined by approximately 15 additional persons representing various campus groups. The exchange of information and plans was especially helpful to campus people who do not work directly with the CHE.

The Conference of University Presidents met on November 4 prior to the meetings of the CHE on November 4-5. Key issues discussed by the presidents were: dual credit, the beginning teachers program, and plans

for the upcoming legislative session. In the Council meeting, institutions who were awarded Centers of Excellence and Endowed Chairs were recognized with plaques; the final results of the State-wide Economic Impact Study were presented; and considerations of action affecting agriculture programs were deferred pending a review to be led by the University of Kentucky. Tuition and budget considerations were major items for discussion. (See related discussion on page two.) Results of the recent Agriculture Study emphasized that UK needs to make substantial efforts to enter into cooperative relationships with the other universities, to better serve agriculture in the State and to reduce personnel in agriculture extension.

Robert W. Vaughn from Middlesboro has been appointed to fill the unexpired term of Al Smith on the Council.

KENTUCKY ADVOCATES FOR HIGHER EDUCATION

Mr. Bob Bell, Chairman of the Kentucky Advocates for Higher Education, Inc., was on campus September 24 to meet with representatives of campus and community groups. He outlined activities of the Advocates, including the luncheon honoring recipients of the OAK awards. He spoke to the Murray Rotary Club and urged support for higher education in the 1988 Legislative Session. A goal of the Advocates is to enroll 25,000 Kentuckians as members of the Kentucky Advocates for Higher Education.

MSU participated in the Advocates' membership drive during National Higher Education Week. MSU students, parents, faculty, staff, alumni, friends, and members of the Murray community were invited to complete cards. They will be informed of issues relating to higher education in the 1988 session of the General Assembly and positive actions they may take in support of higher education. Membership cards will be distributed to you today.

The Advocates state-wide luncheon in Frankfort on October 28 was a great success. In a meeting prior to the luncheon and press conference, David York of Paducah was appointed to the Advocates Board to replace David Denton, who resigned when he was appointed to the Council on Higher Education. The Advocates inaugurated the new Outstanding Alumnus of Kentucky (OAK) Award. The first recipients of the award were:

Dr. Joseph Boyd
Graduate, UK
Chairman of the Board
Harris Corporation

General Russell E. Dougherty
Graduate, WKU
Former Commander, Strategic
Air Command

Mr. James H. Evans
Graduate, Centre College
Retired Chairman of the
Board, and CEO
Union Pacific Corporation

Dr. Forrest C. Pogue
Graduate, MSU
Author, Historian

Mr. David A. Jones
Graduate, U of L
Chairman of the Board
and CEO, Humana, Inc.

Dr. Juanita Morris Kreps
Graduate, Berea College
James Duke Professor of Economics
Duke University

As you know, Dr. Pogue is the biographer of General George C. Marshall and recently completed his fourth volume in the series George C. Marshall: Statesman, 1945-1959. We are very proud of Dr. Pogue and appreciate the prestige and distinction he has brought to Murray State.

NEW DEVELOPMENTS AT MSU

The Bachelor of Independent Studies (BIS) program at Murray State will soon be extended to the campus of Paducah Community College. Participation in a two-day seminar December 11-12 on the PCC campus is required for students entering the program at Paducah. The seminar will allow students to explore options, design individual programs and obtain information about the degree.

The Office of Student Development has organized a Campus Outreach Opportunity League (COOL), a community service program, and has established a Community Service Clearinghouse for college student volunteers. To date, they have filled requests from: international students, for a group to serve as Big Brothers; the March of Dimes, for walkers and staff for a walk-a-thon; a church for a programming group for youth; Parents Against Child Abuse, for general assistance; and the Murray Calloway County Hospital, for an Adopt-A-Grandparent Program. Work is in progress to fill other requests from the hospital, the city school system, a nursing home, and MSU's Adult Learning Center. Our students and staff are to be commended for their service activities.

Department of Special Education. 1) The Department has announced the opening of a Talking Book Library. It will provide access to recreational reading material for reading disabled teens in West Kentucky. It was funded by a \$200 grant from the Kentucky Council for Exceptional Children and recorded by MSU Special Education students and faculty. 2) Computer Assisted Video Instruction is now available to students taking courses in the Department. The system is composed of an Apple Computer, video tape player, computer-video interface equipment, and special software for logging scenes on tape and creating text on the computer monitor. 3) The newly-opened Special Education Technology Center will help teachers and prepare handicapped clients to use computers and state-of-the-art video and audio equipment as preparation for work with special-education needs. The Center was developed with more than \$25,000 received in grants from the U.S. Office of Special Education and Rehabilitation and the University.

As you know, Murray has been selected in a national study by Rand McNally as the number one retirement location in the country. Mayor and Mrs. Bo Turner of Clarkesville, Georgia, the second-place retirement location, will be guests of Mayor Holmes Ellis and the City of Murray on November 20-21. Mayor Ellis and his party will be guests of MSU for our Media Day luncheon and the football game with Austin Peay on November 21.

A special task force has been organized by the Chamber of Commerce to address the impact of Murray's being rated the number one retirement community in the nation. Large numbers of inquiries are coming in to the local Chamber from prospective residents of all ages. MSU will play a major role in plans to maximize opportunities resulting from joint marketing efforts of Murray and the University. The comprehensive nature of our academic offerings and extensiveness of our continuing education

component enable us to design instructional offerings such as seminars and workshops. Members of the task force are: Holmes Ellis, Stuart Poston, George Weeks, Steve Zea, Buddy Buckingham, Harold Doran, Walt Apperson, Sid Easley, Paul Dailey, and myself.

ACCREDITATIONS

The Kentucky Board of Nursing has notified us that the MSU Baccalaureate Degree Nursing Program has met standards for continuation of full approval status.

The accrediting team for the National Accrediting Agency for Clinical Laboratory Science (NACLS) was on campus September 21-22 to inspect the Medical Laboratory Technology associate degree program. Reaccreditation will be determined in the spring of 1988.

INTERNATIONAL ACTIVITIES

President Wu of Yunnan Normal University in Kunming, China, was a special guest on campus last week. A formal exchange agreement by Murray State and Yunnan officials is being finalized, and a copy of the agreement, for your information, will be presented by the Academic Affairs Committee.

STRATEGIC PLANNING

Deans and Chairs of the six academic colleges have submitted written collegiate plans and are meeting with Dr. Jim Booth, Vice President for Academic Affairs, Dr. Lanette Thurman, Assistant to the President and Director of Institutional Planning and Research, and me to discuss action steps to achieve strategic planning goals.

EVENTS

Representatives of the Boy Scouts of America Professional Development Program and Training Institute were on campus in September. While here, they worked with our Deans and Continuing Education staff to develop cooperative programs.

The celebration of the 10th anniversary of the creative writing program during September, and the presence of authors who attended, were reminders of the many faculty who have been on this campus who are now recognized authors, scholars and poets. We are proud of them and of the English faculty for recognizing young talent and encouraging the development of their creativity in writing.

The Board of Trustees of the National Scouting Museum met in Dallas October 7, and the volunteers for our next \$2.5 million fund-raising campaign met. I am encouraged by the support and energy that BSA has committed to this project.

Faculty in the Department of Music presented a highly successful musical and fund-raiser, "Puttin' On the Ritz," on October 9-10. Proceeds from the concert will be used to fund needed music scholarships. Mezzo-soprano Kay Bates and pianist Marie Taylor were the featured performers on the program.

Murray State hosted its first Fall Senior Day, October 14, for area high school seniors and their parents. The second Fall Senior Day is scheduled for November 21, when seniors and parents will meet with admissions staff, receive information on applications and financial aid, and tour the campus.

Parents Weekend was October 16-18, honoring parents of students at Murray State University. Alma Mullican of Owensboro was presented the Outstanding Parent of the Year award during half-time ceremonies at Saturday's football game.

The Winners Circle reception to honor donors and scholarship recipients was held October 18.

Homecoming 1987 honored members of the classes of '27, '37, '47, '57, '67, and '77 in the fifth year of the decade class recognition. Jackie Hays Bickel returned to her alma mater as this year's homecoming parade grand marshal. Among other events during the weekend were meetings of the Business and Public Affairs Advisory Council and the Murray State University Foundation Board of Trustees. New Trustees elected at the Foundation's semi-annual meeting October 30 include: Marilyn Reed Buchanan, H. Glenn Doran, James E. Garrison, and Charles E. Howard.

Personnel Services sponsored a seminar for clerical employees on November 11, which was attended by approximately 110 employees. Workshops provided by our own faculty and professional staff members on a variety of topics concerning communication brought positive responses.

AWARDS AND HONORS

The MSU Department of Chemistry has received a grant for \$50,000 from the National Science Foundation to introduce students to the advanced technique of magnetic imaging. Titled "Integration of Multinuclear Magnetic Resonance Spectroscopy into a Modern Chemistry Laboratory Program," the grant was written by Dr. Oliver Muscio, Dr. David Owen, Dr. Jeffrey Anderson, and Dr. Arlene Courtney of the MSU Chemistry faculty.

New scholarships include the Norma Usrey Dunn Scholarship, a \$500 annual award to be presented to a full-time upperclass home economics major. The Dan Ingle Memorial Scholarship has been established by his family and friends. A \$500 annual award will be made to a full-time student residing in Henry County, Tennessee, with first preference given to a student majoring in the field of psychology.

The Delbert and Edith Wylder Creative Writing Award was recently established at Murray State by colleagues, friends and students. The first annual award of \$100 will be presented to a creative writing student in 1988-89 and will alternate between the areas of poetry and prose.

The National Institute of Health approved \$1,490,742 in funding for the Midwest Consortium for Hazardous Waste Worker Training. MSU's part of the funding for this Consortium is \$155,675. Other members of the Consortium are the University of Illinois, University of Kentucky, Michigan State University, University of Michigan, Purdue University, University of Wisconsin, and the Greater Cincinnati Occupational Health Center. Congratulations to the Department of Safety Engineering and Health on this project.

NEW DIRECTOR OF DEVELOPMENT

Chuck Ward is being officially recommended to you for the position of Director of Development. Chuck was Director of Development at the Medical College of Georgia. He holds the B.S. degree in business administration from Southern Illinois University and has completed 59 hours of graduate work at SIU and Georgia Southern College. Chuck has previously held alumni and/or development positions with Washington University (St. Louis, MO), McKendree College (Lebanon, IL), Salem College (Salem, WV), and the Cystic Fibrosis Foundation. Chuck is already making a difference in the organization of our development effort.

SEARCHES

Screening committees are now active in searches for positions of Vice President for Finance and Administrative Services; Dean of Fine Arts and Communication; and Dean of Continuing Education.

SPECIAL ACTIVITIES OF THE PRESIDENT

I have been appointed to the National Small Business Development Center Advisory Board; its first Board meeting was September 27-29. The nine-member Board works with the Small Business Administration in coordinating and overseeing Small Business Development Centers throughout the country.

The attached list outlines events held at Oakhurst and activities of the President outside the normal daily routine.

CONGRATULATIONS

Jack W. Farley, Assistant Professor in the Department of Special Education, and his wife Susan, graduate student, had an article, "Interactive Writing and Gifted Children: Communication Through Literacy," published in the Winter 1987 edition of Journal for the Education of the Gifted.

The Shield, MSU's yearbook, has been awarded Medalist honors for its 1987 edition by the Columbia Scholastic Press Association. The Shield also took two All-Columbian Awards for special merit based on concept. The theme for the 1987 yearbook was "Endless Possibilities."

Activities of President Kala M. Stroup

in addition to routine meetings and daily operation
of the University

September 12 - November 14, 1987

September

- 12 Hosted Congressman Joe Kennedy, lecture and luncheon for Democratic leaders in area
- 12 Hosted Industrial Leaders at Oakhurst (100)
- 15-17 Professional Development Faculty of Boy Scouts of America visited campus for exchange of ways we can grant credit for BSA work
- 16 Hosted Reception for Creative Writing Faculty and visitors at Oakhurst (60)
- 18 Hosted Coffee for Kentucky Association of Museums Directors at Oakhurst (60)
- 18 Bicentennial Celebration of Constitution and hosted luncheon for Dr. Forrest McDonald
- 19 Attended Legislative gathering and football game at Bowling Green, met with President Kern Alexander
- 21 Visited Site Team on accreditation of Medical Technology Laboratory program
- 21 Dinner and visit with John Street (potential donor), Cadiz
- 22 Participant and host for Outstanding Jackson Purchase Scholars dinner, Paducah
- 23 Interviewed by Calloway County students at CCHS TV studio and also had lunch at Calloway County High School with Principal and teachers
- 24 Campus meeting and Rotary meeting with Bob Bell, Chairman of the Kentucky Advocates for Higher Education
- 24 Special session with Faculty Senate leadership and Cabinet
- 24 Founder's Day Program
- 25 Visited Superintendent Leon Moneyham and teachers in Fulton County, Hickman
- 26 Attended Alumni Executive Council meeting and football game with U.L., Louisville, met with President Swain, attended alumni meeting after game
- 27-29 Attended National Advisory Board Meeting of the Small Business Development Centers, New Hampshire and Vermont
- 30 Hosted student leaders for Student Senate Retreat at Oakhurst, (40)

October

- 1 Attended Gubernatorial candidate's, Wallace Wilkinson, Breakfast and meeting
- 1 Attended Purchase Area Development District meeting, Columbus
- 5 Attended Council on Higher Education Executive Committee, Northern Kentucky University

- 6 Met with Conference of Presidents and Gubernatorial candidate John Harper, Frankfort
- 7- 8 Chaired the Board of Trustees Meeting of the National Scouting Museum, chaired the Professional Development Committee of BSA, attended the National BSA Executive Board Meeting
- 9 Hosted Music Department Benefit, "Puttin on the Ritz," at Oakhurst (35)
- 10 Attended Festival of Champions (bands)
- 10 Attended EKU football game, Richmond, met with Dr. Funderburk, hosted Dr. Ray Charette, Joe Dick, Chuck Ward for trip and day
- 13 Lunch with Home Economics Freshman Orientation students
- 13 Hosted "Pepsi Break with President," with students (15)
- 14 Hosted Reception for Mr. MSU Pageant at Oakhurst
- 15 Visited Southeast Missouri State University and the Show-Me Center, Cape Girardeau, with Steve Zea and Bill Beasley
- 16 Attended Council on Higher Education Budget Hearing, Frankfort, presented the MSU budget before Finance Committee
- 17 Attended Reception for Parents Weekend
- 17 Hosted buffet for Super Racers and Parents at Oakhurst (200)
- 18 Participant in "Winner's Circle" for donors and scholarship winners
- 19 Met with Mayor of Lexington, Scotty Baesler
- 20 Special session with Faculty Senate leadership and Cabinet
- 21 Attended KETV Business Breakfast, Murray High School
- 21 Attended signing of the Higher Education Week Proclamation
- 22 Met with Gary Cox and the deputy directors of the Council on Higher Education
- 22 Attended Journalism & Radio/TV Advisory Council dinner
- 23 Welcomed Articulation Day for community college directors and counselors
- 23 Visited with school personnel of Caldwell County, Princeton
- 25 Hosted Senior Presidential Scholars Dinner at Oakhurst (20)
- 26 Taped interview with Henderson County High School students and teacher
- 27 Attended luncheon honoring Governor Collins and Consulate General of Japan for the Southeastern US Takashi Miyazaki, sponsored by the Japan-America Society of Kentucky, Louisville
- 27 Attended Governor's dinner for OAK recipients, Frankfort
- 28 Attended Awards Luncheon of Kentucky Advocates for Higher Education, Frankfort
- 29 Attended Jim Smith-David Reed Reception, Paducah
- 29 Attended Forrest Pogue Lecture to Associates of Murray State University Libraries
- 29 Met with MSU Foundation Executive Committee

- 30 Met with MSU Foundation Committees and Foundation Trustees Semiannual Meeting, attended Wolfson recognition program at Hancock Biological Station, and hosted reception for Homecoming honorees, Foundation Trustees, Board of Regents, Inductees to Athletic Hall of Fame, Alumni Executive Council, Business and Public Affairs Advisory Committee at Oakhurst (110)
- 30 Attended banquet and introduced speaker for Business and Public Affairs
- 31 Business & Public Affairs Advisory Committee Meeting, Parade, Luncheon, Pre-game ceremonies, football game, and hosted post-game reception for alumni and University friends at Oakhurst, (200)

November

- 1 Spoke at University Church of Christ Dedication
- 2 Welcomed Elderhostel group
- 2 Meeting with Dean and Chairpersons, College of Humanistic Studies
- 3 Spoke at Campus Ministers meeting
- 3 Hosted Omicron Delta Kappa tapping at Oakhurst (25)
- 3 Met with President Wu of Yunnan Normal University, Kunming, China
- 4 Spoke at State meeting of Small Business Development Center, Bardstown
- 4 Met with Conference of Presidents, Louisville
- 4 Attended Council on Higher Education Programs Committee meeting, Louisville
- 5 Attended Finance Committee and Council on Higher Education meetings, Louisville
- 9 Meeting with Dean and Chairpersons of College of Education
- 10 Spoke at meeting of Springer Hall students
- 11 Introduced speaker at Honors Day for Black High School Students
- 11 Spoke at Clerical Staff Workshop on Communication
- 13 Met with Dean Willis Hawley, Vanderbilt University and Southern Region Education Board
- 14 Attended football game at Middle Tennessee and met with President Sam Ingram on OVC matters.

UPCOMING EVENTS

WINTER 1987-88

November

- 17 Industry & Technology Building Groundbreaking Ceremonies, 10:00 a.m.
- 18-21 University Theatre
Kiss Me Kate
- 18 Men's Basketball, MSU vs. D.T.V. Germany, 7:30 p.m.
- 21 Media Day, MSU vs. Austin Peay State University, 1:30 p.m. Special guests of the President will be Mr. and Mrs. Fred Paxton, Mr. and Mrs. Jim Paxton, Mr. and Mrs. John Williams, Mayor Holmes Ellis and guests from Clarksville, Georgia (Mayor Bo Turner), Congressman and Mrs. Carroll Hubbard.
- 22-25 Annual Meeting of the American Association of State Colleges and Universities, New Orleans. This is the annual meeting for university presidents. The President will be in New Orleans.
- 27 Men's Basketball: William Penn College, 7:30 p.m.
Women's Basketball: Tennessee-Martin, 5:15 p.m.
- 30 Men's Basketball: Southern Illinois, 8 p.m.
Women's Basketball: Hawaiian Tropic Lady Racer Classic, 4:00 & 6:00 p.m.—also on December 1

December

- 1- 2 Visit of the Legislative Research Commission staff and the Appropriations and Revenue Committee of House and Senate
- 1 President's Invitational Academic Tournament
- 2 Meeting with Faculty Senate leadership and Cabinet
- 2 Women on Campus Seminar, 4:00 p.m.
- 4 Art Auction, 7:00 p.m., Eagle Gallery
- 4 Small Business Development Centers National Advisory Board Meeting, Washington
- 6 Hanging of the Green, Christmas Celebration, 4:30 p.m., Curris Center. This is a lovely traditional program at Murray State. You are all invited.

- 16 Meeting of the West Kentucky Education Cooperative, Lake City. This includes all of the superintendents in the West Kentucky region.
- 18 Boy Scouts of American Professional Development graduation, Dallas

January

- 11 Council on Higher Education Meeting
- 9-14 Ohio Valley Conference Winter Meeting and Annual Meeting of the National Collegiate Athletic Association, Nashville
- 14-15 Registration, Second Semester, 1987-88
- 15 Art Reception and Lecture, 7:00 p.m., Eagle Gallery
- 16 Men's Basketball with Eastern Kentucky University, ESPN telecast
- 17-19 American Council on Education Annual Meeting, Washington

February

- 2 - 3 Task Force on State Policy meeting of the Education Commission of the States, Washington
- 5 Art Alumni Exhibit and Reception, 7:00 p.m., Eagle Gallery
- 11 -13 (tent) Campus Lights
- 15 -16 Board of Regents Meeting



Murray State University: A Smart Investment



Murray State University has a tradition of commitments.

1. To an affordable cost that makes higher education more accessible.
2. To high-quality academic programs that send graduates into the job market with skills instead of excuses.
3. To an educational philosophy that focuses on the student as the centerpiece of the campus.

But don't just take our word for it. Compare. You'll find that Murray State has the lowest cost of attendance (for tuition, room, board and additional mandatory fees) among all Kentucky universities. Nevertheless, more than \$13 million in financial aid went to approximately 75 percent of the students enrolled in 1986-87.

High value for the dollar is reflected in the number of nationally accredited programs offered at Murray State and in an academic environment enhanced by students whose ACT composite scores rank consistently among the highest in the state university system.

Of its 136 programs of study ranging from traditional liberal arts to exciting new technologies, Murray State has more professional accreditations than similar universities. And what does that mean? It means that the academic programs meet high standards set by national professional accrediting agencies based on such criteria as teaching excellence, research, facilities, class size, curriculum and placement.

To students, accreditation means they can compete more successfully for internships and cooperative education assignments and, when they graduate, for the best jobs anywhere in the country, as well as for admission and fellowships to graduate and professional schools.

Entering freshmen at Murray State historically have the highest average ACT composite among regional universities in Kentucky. Not that Murray State claims the credit for its students' ACT scores. Outstanding school systems in the area should take a bow for that. But we do note with considerable pride that the presence of these students on the campus makes a valuable contribution to a stimulating intellectual climate.

A university would be nothing without students. They are its heartbeat. Its reason for being. For cost, academic quality and a campus committed to the best for its students, you won't find a better higher education investment than Murray State University.

We are proud and thankful in this community for a university that offers an opportunity for a superb education that enables us to compete with the best. And do well.



**For more information about
Murray State University, call
762-2896.**

CHE RECOMMENDATIONS FOR UNIVERSITY FUNDING FOR 1988-90 BIENNium

Background:

The Kentucky Appropriation Recommendation Formula, which was developed in 1982/83 pursuant to KRS 164.020(4), is being used for the 1988/90 budget process. In accordance with the policy adopted by the Council on Higher Education in May 1986, no major changes have been made in the formula. The only changes have been technical adjustments (i.e., using up-to-date data and rates) or those adjustments necessary to reflect legislative actions. Funds appropriated by the 1986 General Assembly for the Center for Robotics and Manufacturing Systems; the Kentucky Small Business Development Center; the National Institute for State Government Research, Education, and Service; Council on Higher Education Centers of Excellence; and the Salary Incentive Fund were incorporated into relevant components of the 1988/90 formula. Consistent with statute, the procedure followed in making the technical adjustments involved participation by institutional representatives and Council staff.

The formula is designed to generate a level of state appropriation to adequately support Kentucky's system of higher education, as it currently exists, in the areas of instruction, research, and public service. It does not generate funds to cover all activities conducted by the institutions (for example, housing and dining operations) nor does it account for all sources of funds available to the institutions (for example, federal funds). Additionally, the formula is not intended for use as an internal budgeting or allocation tool. Setting priorities and allocating funds to achieve them is the responsibility of administrators and governing boards on the individual campuses.

The formula-based appropriation recommendation for 1988/90 reflects only that portion of the recommendation for operating support based on the 1988/90 formula calculation. It does not include amounts for equal educational opportunities (Desegregation Plan implementation activities), amounts for other institution-specific items or activities for which funding was requested above or outside the formula, or amounts for systemwide initiatives. Recommendations on these items will be considered within other agenda items.

Distribution of the formula-based funding is made in compliance with the Formula Use Policy Application adopted by the Council on September 3, 1987 which provides for the following:

- Continue the base general fund appropriation level for each institution.
- Provide state general fund support for a common percentage increase to each institution. The total used for this purpose shall represent two-thirds of the available new formula funds up to the provision of

a common percentage increase of 4.3 percent for 1988/89 and 4.4 percent for 1989/90.

- Distribute remaining formula funds to each institution proportional to its percentage of full formula funding.

Attached is a summary, by institution, of the distribution of funds based on the Formula Use Policy Application.

FORMULA USE POLICY APPLICATION - 1988/89 KENTUCKY APPROPRIATION RECOMMENDATION FORMULA

1988/89 Formula-Based State Appropriation:

Institution	1987/88 Base					Formula Use Policy Application					1988/89				
	Total		1987/88		1988/89		Common %		Formula		Total		State		
	Appropriation	Formula	Debt	Hospital	Debt	Hospital	Increase	Implementation	Increase	Implementation	Increase	Percent	Appropriation	Formula	
			Service	Contract	Service	Contract	4.20					4.20	Recommendation	Calculation	
EXU (92.32)	944,223,400	52,999,700			93,202,200			91,772,600	52,254,000	94,007,200	9.1%		948,433,100	959,132,000	
KSU (94.9)	13,289,900	1,712,300			1,482,400			494,400	197,000	691,400	5.2		13,791,400	13,941,300	
MSU (95.0)	26,426,800	1,459,300			1,712,900			1,063,000	1,426,000	2,491,000	9.4		28,972,200	29,050,100	
MSU (95.3)	32,007,000	2,152,400			3,210,700			1,322,400	140,000	1,462,400	4.4		35,427,700	35,534,200	
MSU (95.7)	24,019,300	3,071,100			20,948,200			900,000	910,200	1,819,000	7.6		26,200,800	26,379,700	
UK (95.2)	183,903,000	10,440,600			10,700,100			7,442,400	10,796,000	26,250,400	14.3		210,501,700	224,007,300	
UNCCS (71.0)	41,074,000	4,450,100			4,650,100			1,600,400	11,032,400	13,433,000	32.1		55,315,000	64,320,400	
UL (96.7)	110,923,400	9,453,300	911,071,100		9,949,600	911,547,100		3,070,000	10,904,000	14,002,600	13.4		126,550,300	134,918,200	
MSU (95.7)	42,616,700	2,291,400			2,322,400			1,734,000	3,109,200	4,933,200	11.6		47,591,000	50,025,900	
System (87.52)	9520,104,500	930,430,200	911,071,100		940,942,000	911,547,100		920,230,000	949,720,300	959,959,100	13.4%		9592,951,200	9430,799,100	
														94,002	

F 26

1989/90 Formula-Based State Appropriation:

Institution	1988/89 Base					Formula Use Policy Application					1989/90			Rec'd'n As % Of Calc
	Total Formula Recommendation	1988/89 Debt Service	1988/89 Hospital Contract	1988/89 Net Formula Recommendation	1989/90 Debt Service	1989/90 Hospital Contract	Recurring Base	Common % Increase 4.40	Formula Implementation Increase	Total Increase	Total Percent Increase	State Appropriation Recommendation	Formula Calculation	
EXU	940,423,100	53,202,200		945,230,900	53,204,100		940,437,000	91,990,200	52,179,200	94,169,400	9.4%	932,606,400	952,606,400	100.00
KSU	15,791,400	1,482,400		12,109,000	1,403,600		13,792,600	516,100	225,700	742,000	5.5	14,554,600	14,554,600	100.0
MSU	28,972,200	1,712,900		27,259,300	1,710,000		28,970,100	1,199,400	2,649,900	3,849,300	13.3	32,819,400	32,819,400	100.0
MSU	35,427,700	3,210,700		32,217,000	3,215,100		35,432,100	1,417,600	405,200	1,822,800	5.1	37,254,900	37,254,900	100.0
MSU	26,200,800	3,513,600		22,767,200	3,512,500		26,279,700	1,001,000	909,300	1,911,100	7.3	28,190,800	28,190,800	100.0
UK	210,501,700	10,700,100		199,801,600	10,804,300		210,607,900	9,791,300	16,770,200	26,561,500	12.1	236,169,400	236,169,400	100.0
UNCCS	55,315,000	4,450,100		50,864,900	4,670,200		55,332,100	2,220,900	13,209,100	15,430,000	27.9	70,770,100	70,770,100	100.0
UL	126,590,300	9,949,600	911,547,100	105,601,600	9,944,000	912,005,200	127,040,000	4,422,700	11,634,000	16,257,500	12.8	145,310,300	145,310,300	100.0
MSU	47,591,000	2,322,400		45,268,600	2,323,400		47,594,000	1,991,400	3,646,500	7,430,000	16.0	55,232,000	55,232,000	100.0
System	9592,951,200	940,942,000	911,547,100	9040,462,100	941,009,000	912,005,200	9092,506,300	929,779,500	953,630,000	977,409,600	13.1%	9070,915,900	8670,915,900	100.00

STATE FUNDED CAPITAL PROJECTS

ACTION ITEM

CHE (F-3-A) FC (C-3-A)

NOVEMBER 5, 1987

RECOMMENDATION:

That the Council recommend to the Governor and the General Assembly that:

- State capital construction funds, in the amount of \$38,848,000 for 1988/89 and \$16,099,000 for 1989/90, be appropriated to the institutions for specific life/safety projects and projects which will protect the institutions' investment in plant;
- Consolidated Education Building Revenue Bonds, in the amount of \$60,375,000, be authorized in 1988/89 for new facilities and equipment projects; and
- Should state capital construction funds not be appropriated for life/safety and protection of investment in plant projects, bonds, with state appropriated debt service, be authorized and appropriated.

Attachment A summarizes these recommendations. Attachments B and C detail life/safety and protection of investment in plant projects and the institutional bonding, respectively.

RATIONALE:

- o This recommendation addresses, as its highest priority, the system's most pressing needs to ensure safe facilities and the protection of the system's investment in plant. Furthermore, it recognizes that it is fiscally more prudent to treat maintenance problems early before they deteriorate into major problems.
- o This recommendation is primarily based on Mr. David Banks', the Council's architect, general assessment of the condition of the campuses and his review of the capital budget requests; statewide needs and opportunities to achieve excellence and provide access; and limited state resources being available during the 1988/90 biennium to fund capital projects.

**ATTACHMENT A
SUMMARY
STATE FUNDED CAPITAL PROJECTS RECOMMENDATION**

	<u>1988/89</u>	<u>1989/90</u>
I. Source/Project Type		
State Capital Construction Fund		
Life/Safety	\$10,659,000	\$2,523,000
Protect Investment in Plant	28,189,000	13,576,000
Total	38,848,000	16,099,000
Institutional Bonding Authority		
Equipment	15,000,000	
New Facilities*	45,375,000	
Total	60,375,000	0
II. State Funding		
State Capital Construction Fund	38,848,000	16,099,000
Estimated State Appropriated Debt Service		7,853,000
Total	\$38,848,000	\$23,952,000

*Includes \$3.0 million authorization which will be supported by student fees.

ATTACHMENT B
STATE CAPITAL CONSTRUCTION FUND RECOMMENDATION
(Page 1 of 2)

Institution/Project	1988/89			1989/90		
	Life/Safety	Protect Investment In Plant	Total	Life/Safety	Protect Investment In Plant	Total
Eastern Kentucky University						
PCB Removal	\$2,000,000		\$2,000,000			
Roark Building Improvements		\$4,000,000	4,000,000			
University Building Improvements		2,551,000	2,551,000			
Total	2,000,000	6,551,000	8,551,000	0	0	0
Kentucky State University						
Student Center Fire Protection	100,000		100,000			
Hathaway Hall Masonry		125,000	125,000			
Carroll ASB - Concrete Repairs		125,000	125,000			
Carroll ASB - Water Damage Repairs		100,000	100,000			
Jordan Heating Plant System Renovation		200,000	200,000			
Bradford Hall HVAC		1,596,000	1,596,000			
Total	100,000	2,146,000	2,246,000	0	0	0
Morehead State University						
Utility/Electrical System, Phase I	3,548,000		3,548,000	1,441,000		1,441,000
Fire Safety Projects	192,000		192,000			
Asbestos Abatement	243,000		243,000	243,000		243,000
Roof Repairs/Replacement		464,000	464,000		464,000	464,000
Button Auditorium Exterior Repair		270,000	270,000			
Elevator Repairs		138,000	138,000			
HVAC Repairs/Replacement		1,535,000	1,535,000		1,535,000	1,535,000
Handicapped Accessibility		285,000	285,000		285,000	285,000
Total	3,983,000	2,692,000	6,675,000	1,684,000	2,284,000	3,968,000
Murray State University						
Asbestos/PCB Removal	1,600,000		1,600,000	60,000		60,000
Roof Repairs/Replacement		607,000	607,000		134,000	134,000
Steam/Condensate Lines Replacement		500,000	500,000			
Lovett Auditorium Improvements		900,000	900,000		2,800,000	2,800,000
Minor Maintenance Pool		244,000	244,000		187,000	187,000
Total	1,600,000	2,251,000	3,851,000	60,000	3,121,000	3,181,000
Northern Kentucky University						
Science Building Roof Replacement		144,000	144,000			
University Center - Water Drainage		1,386,000	1,386,000			
Total	0	1,530,000	1,530,000	0	0	0
University of Kentucky						
Asbestos/PCB Removal	200,000		200,000			
Renovate Fume Hoods - Ag. Science North				259,000		259,000
Renovate Fume Hoods - Research #3 and Medical Center	1,200,000		1,200,000	520,000		520,000
Scheduled Maintenance Pool					1,741,000	1,741,000
Cooling Plant #1		4,250,000	4,250,000		2,000,000	2,000,000
Cooling Plant #2		4,250,000	4,250,000		1,000,000	1,000,000

ATTACHMENT B
STATE CAPITAL CONSTRUCTION FUND RECOMMENDATION
(Page 2 of 2)

Institution/Project	1988/89			1989/90		
	Life/Safety	Protect Investment In Plant	Total	Life/Safety	Protect Investment In Plant	Total
University of Kentucky (continued)						
Electric Substation #2 - Expansion		\$250,000	\$250,000			
Central Heating Plant #2		324,000	324,000			
Cooling Plant #3		250,000	250,000			
Chilled Water Lines		500,000	500,000		\$900,000	\$900,000
Resurfacing of Parking Lots - University Drive					2,250,000	2,250,000
Total	\$1,400,000	9,824,000	11,224,000	\$779,000	280,000 8,171,000	280,000 8,950,000
UK Community College System	0	0	0	0	0	0
University of Louisville	0	0	0	0	0	0
Western Kentucky University						
Life/Safety Improvements*	800,000		800,000			
Asbestos Abatement**	579,000		579,000			
Hazardous Materials Storage	197,000		197,000			
Coal Boilers, #1 and #2***		1,272,000	1,272,000			
HVAC System		175,000	175,000			
Treat Exterior Surfaces		485,000	485,000			
Snell Hall Improvements		1,263,000	1,263,000			
Total	1,576,000	3,195,000	4,771,000	0	0	0
System Total.	\$10,659,000	\$28,189,000	\$38,848,000	\$2,523,000	\$13,576,000	\$16,099,000

* Total scope \$1,300,000; balance to be funded with agency funds.

** Total scope \$979,000; balance to be funded with agency funds.

*** Total scope \$2,250,000; balance to be funded with agency funds.

ATTACHMENT C
INSTITUTIONAL BONDING AUTHORITY RECOMMENDATION
(Page 1 of 3)

<u>Institution/Project</u>	<u>Bond Authorization (In Millions)</u>	<u>Estimated State Appropriated Debt Service Increase</u>
Northern Kentucky University Fine Arts Building Completion	\$7.3	\$881,000
University of Kentucky Business & Economics Addition/Renovation	8.1	974,000
UK Community College System		
Ashland Community College		
Academic Learning Resource Center	4.3	
Hopkinsville Community College		
Auditorium/Fine Arts Building	3.4	
Henderson Community College		
Academic/Technical Building	3.0	
Prestonsburg Community College		
Science Building	3.1	
Somerset Community College		
Fine Arts/Community Center Building*	3.2	
Total	17.0	2,044,000
University of Louisville Equipment	15.0	2,749,000
Western Kentucky University Student Health/Activities Center**	13.0	1,205,000
System Total	\$60.4	\$7,853,000

* Total Scope \$3.9 million; balance to be funded with private gifts.

** Debt service on \$3.0 million (\$360,000) to be supported by student fees.

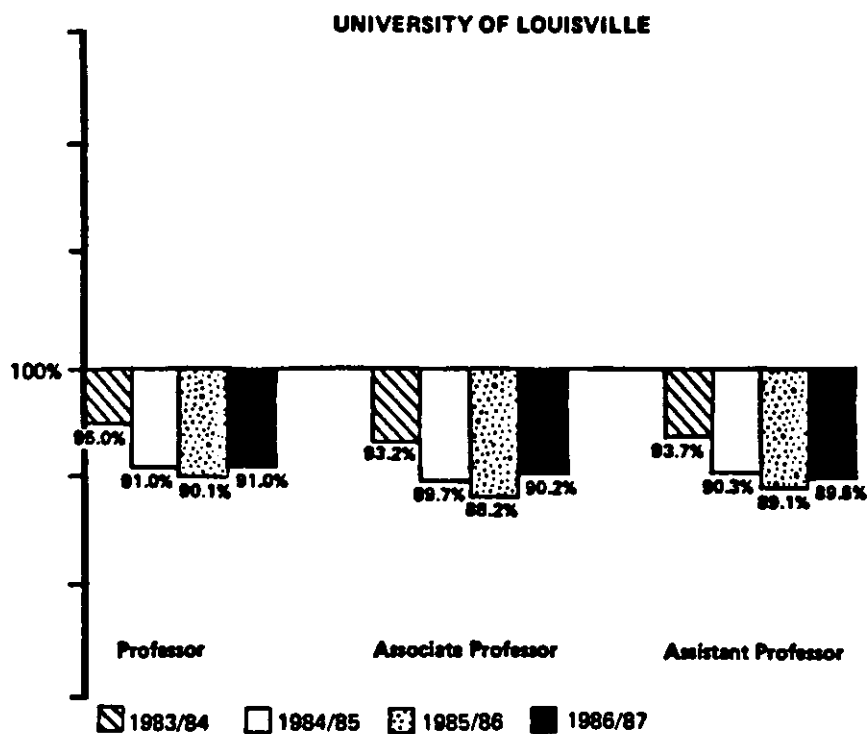
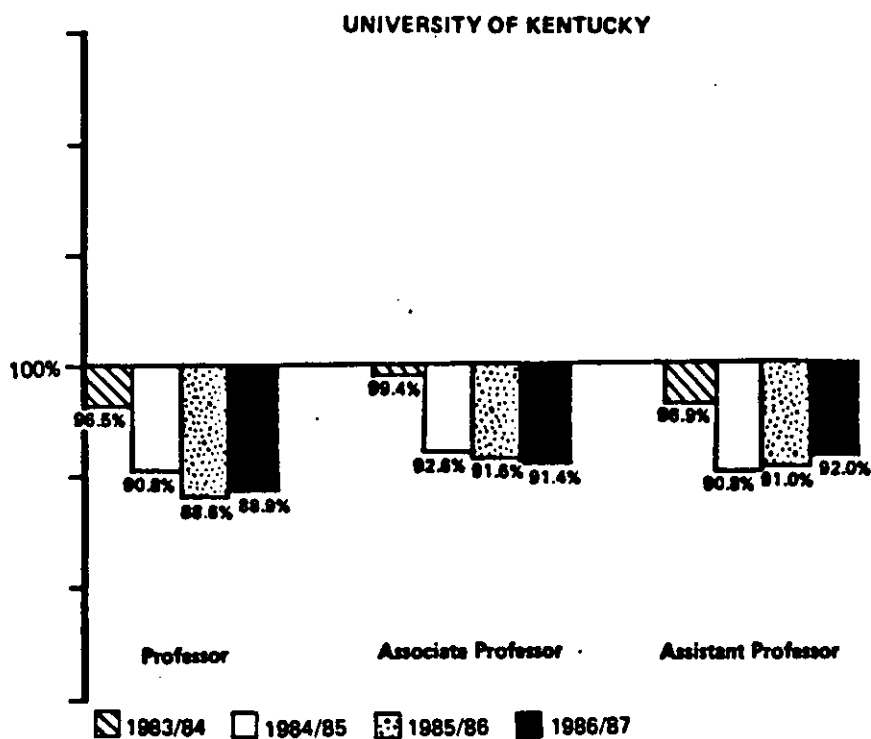
CHE STUDY OF FACULTY SALARIES FOR BUDGET REQUEST

Based on a review of these charts, Kentucky's faculty salary situation can be summarized as follows:

- The problems are not focused at a specific rank or a specific institution or group of institutions; they are wide-spread across all ranks and institutions.
- Average faculty salaries were at or near the benchmark means for most of the institutions in 1983/84.
- Average faculty salaries relative to the benchmarks declined between 1983/84 and 1984/85 with the decline continuing in 1985/86. (1984/85 and 1985/86 were the years of legislatively imposed limits on salary increases.)
- In 1986/87, faculty salaries began to stabilize, and in some instances, recover relative to the benchmarks. However, they have not yet returned to the percent of benchmark achieved in 1983/84 and, generally, remain far below the benchmark means.

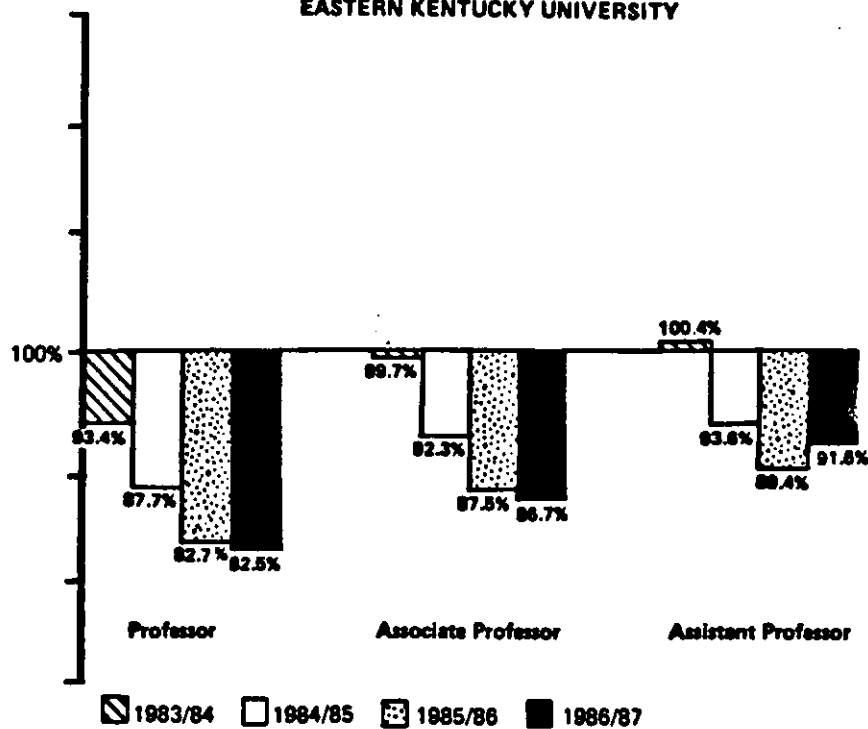
In the absence of full funding of the formula and, thus, the ability to reach benchmark average salary levels, the institutions will continue to have faculty recruitment and retention problems. Even with full funding of the formula and the ability to reach the benchmark averages, recruitment and retention problems will remain in selected disciplines.

FACULTY SALARIES BY RANK AS PERCENT OF BENCHMARK MEAN

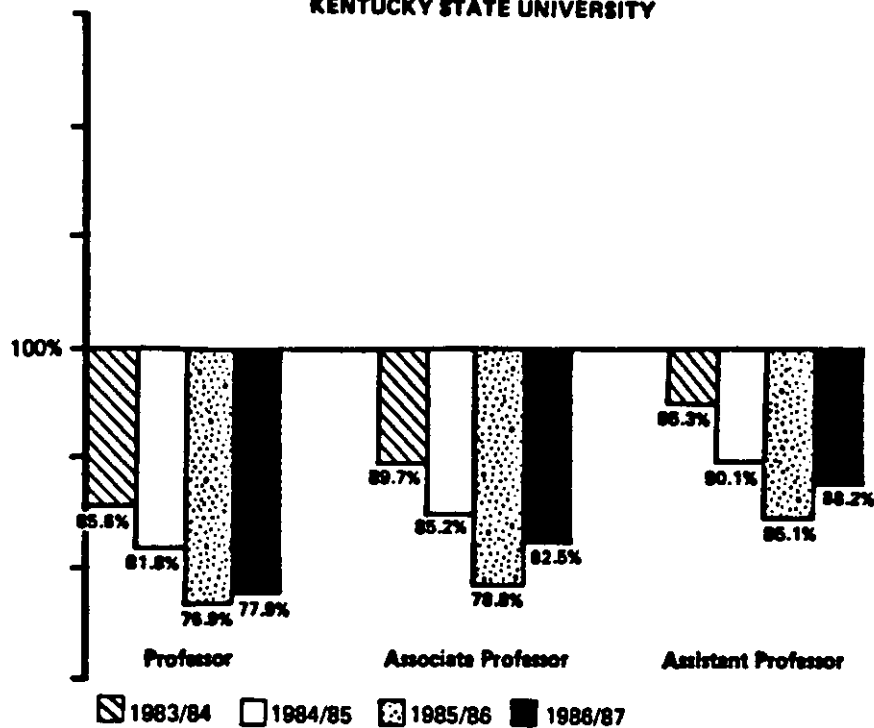


FACULTY SALARIES BY RANK AS PERCENT OF BENCHMARK MEAN

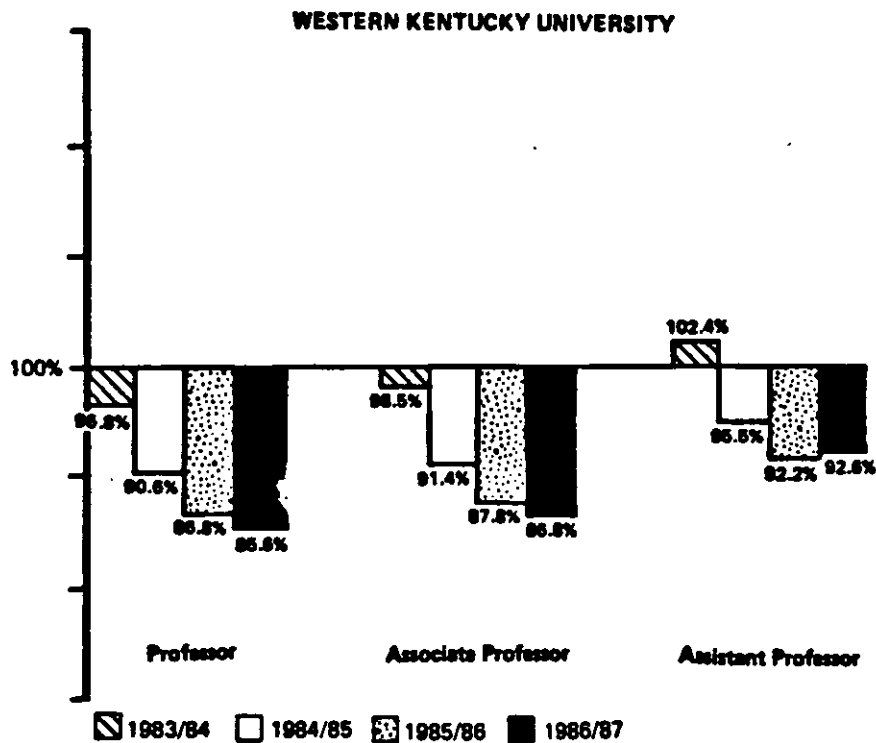
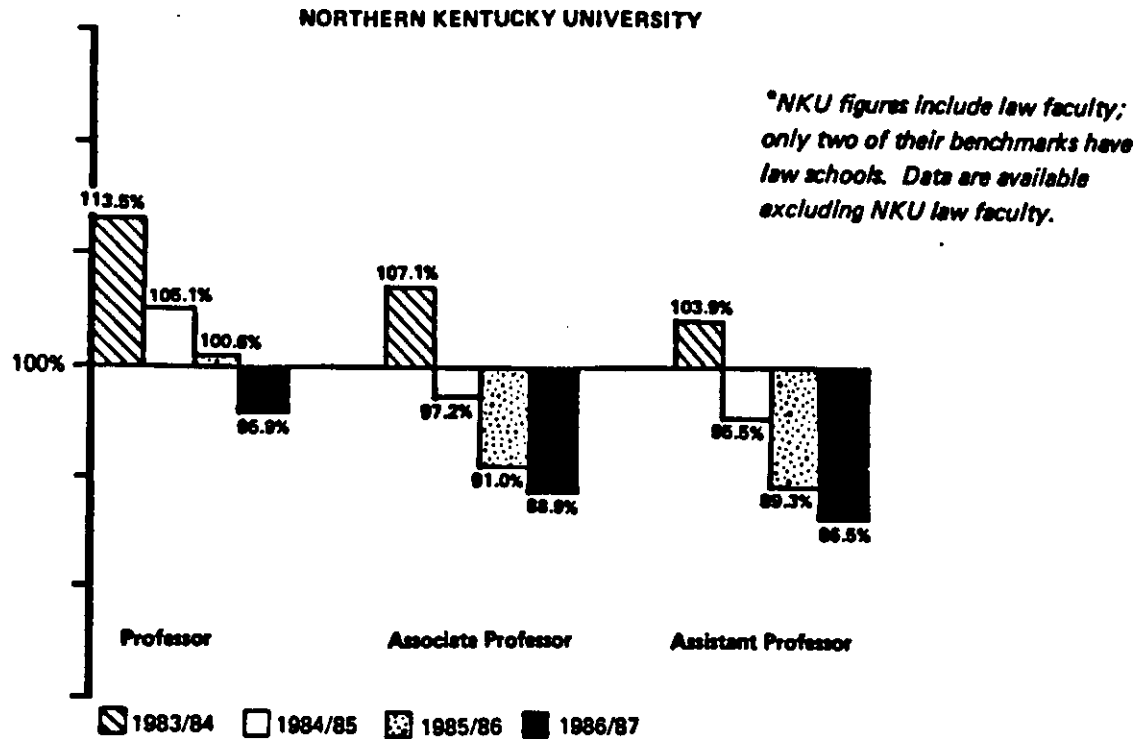
EASTERN KENTUCKY UNIVERSITY



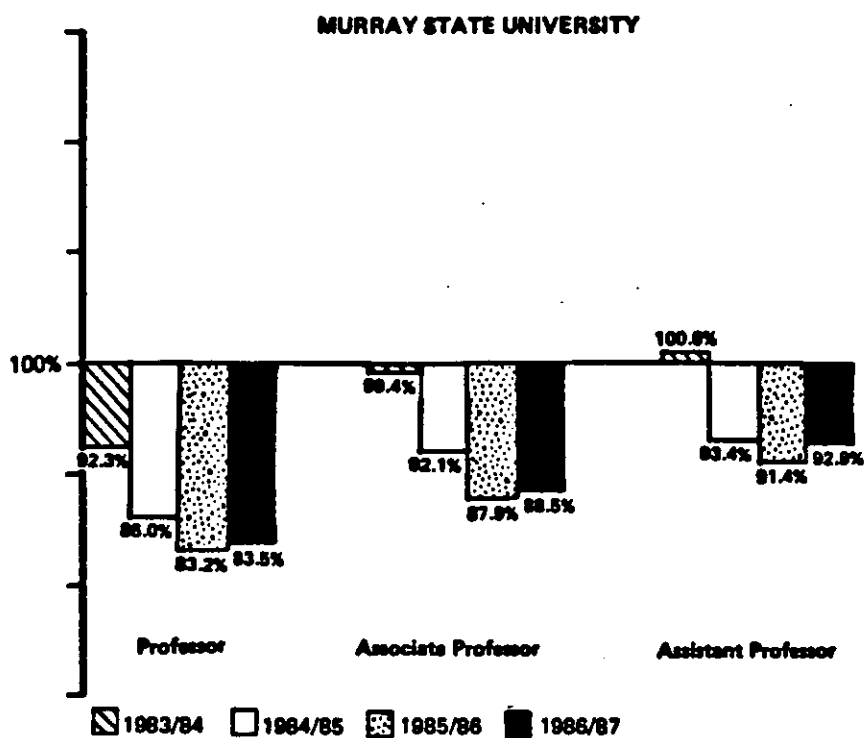
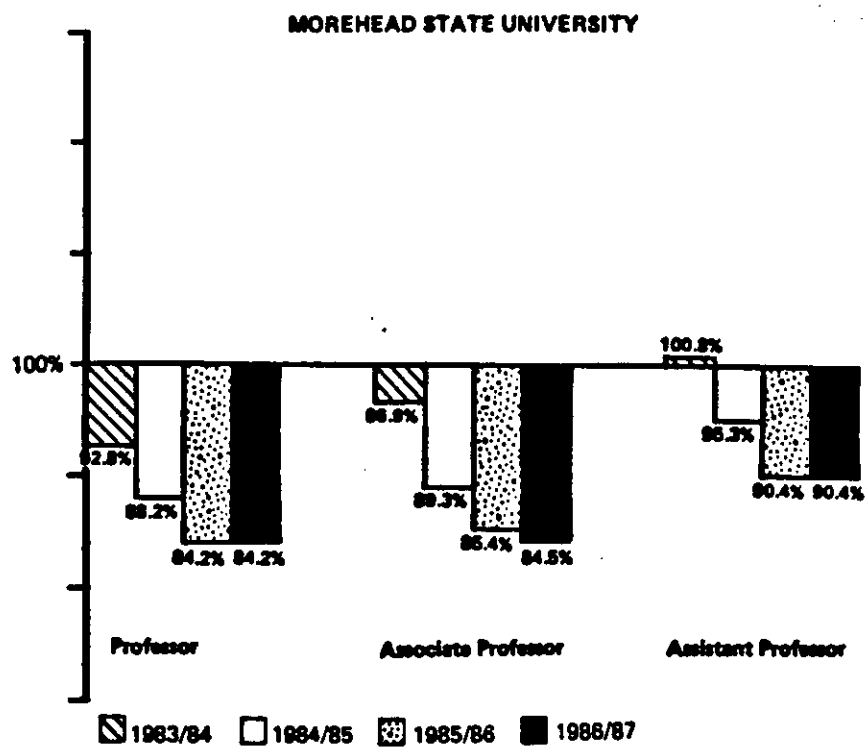
KENTUCKY STATE UNIVERSITY



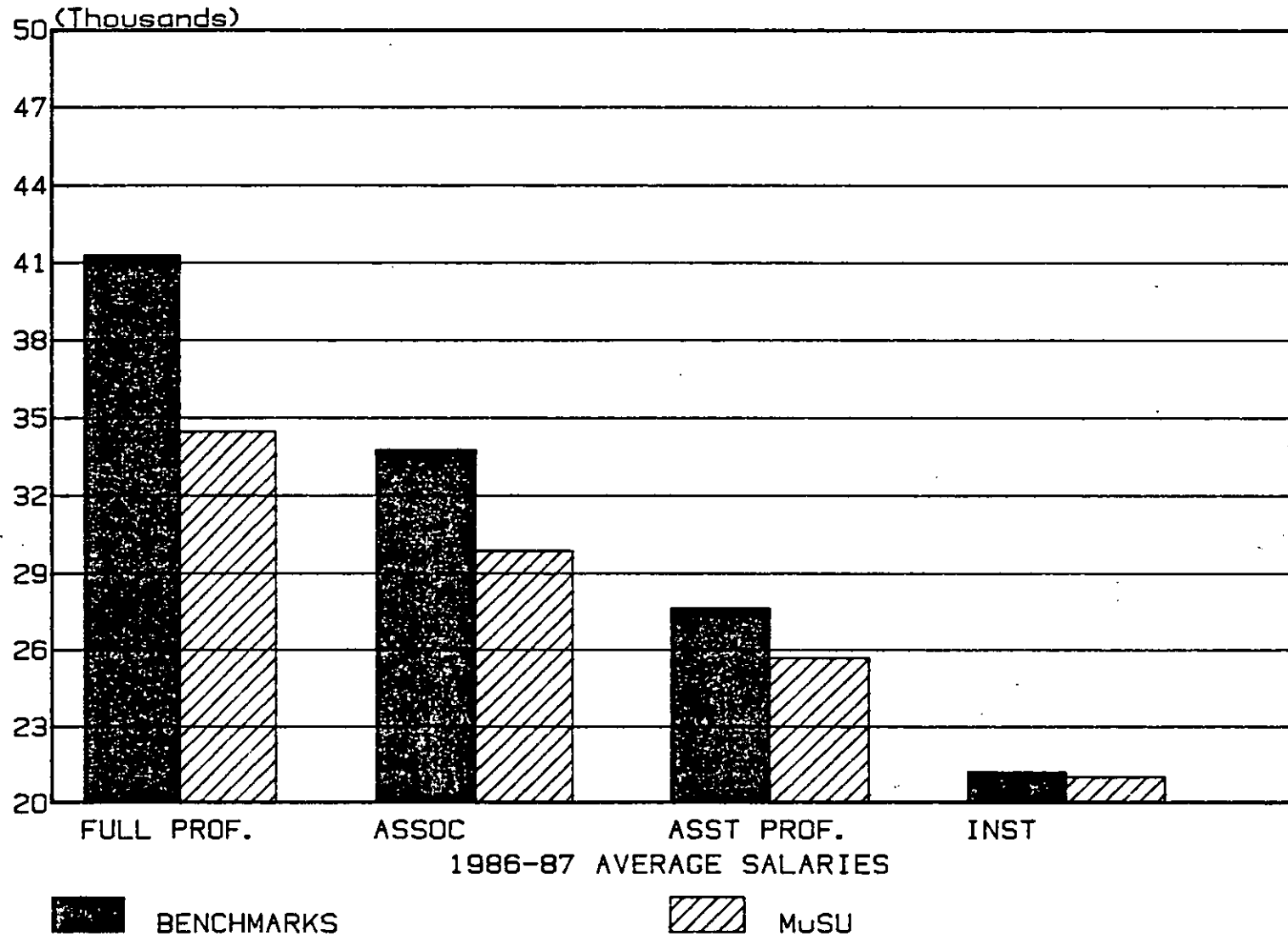
FACULTY SALARIES BY RANK AS PERCENT OF BENCHMARK MEAN



FACULTY SALARIES BY RANK AS PERCENT OF BENCHMARK MEAN



MUSU COMPARED TO BENCHMARKS



CHE PROGRAM REVIEW RESULTS

Since 1983, 264 programs have been terminated or suspended state-wide.

The table below presents a five-year summary of program actions which includes action on new program proposals as well as those resulting from the review of existing programs.

PROGRAM ACTIONS

	1982/83	1983/84	1984/85	1985/86	1986/87	TOTAL
New Programs						
Approved by CHE	11	2	7	9	9	38
New Programs						
Denied by CHE						
or Withdrawn	1	3	1	1	2	8
New Programs						
Deferred by CHE	1	0	0	2	0	3
Programs Terminated						
or Suspended	49	68	70	37	40	264

MURRAY STATE UNIVERSITY PROGRAM INFORMATION

The following programs have been withdrawn or suspended during the course of the Council on Higher Education Program Reviews at Murray State University:

1981-82 through 1987-88

01.0103	Agricultural Economics.....B.S
01.0102	Agricultural Business.....MS
03.0601	Wildlife Management.....MS
04.0301	City, Community & Regional Planning.....BS
04.0301	City, Community & Regional Planning.....MA/MS
06.0701	Hotel/Motel Management.....BS
06.1701	Real Estate, General.....BSB
11.0401	Information Sciences & Systems.....BS
13.0405	School Administration.....MAEd
13.0499.01	School Business Administration.....MAEd
13.1201	Adult Ed.....MAEd
13.1299.01	Higher Education.....MACT
13.1299.01	Higher Education.....SCT
13.1301	Agricultural Education.....MAEd
13.1302	Art Education.....MAEd
13.1303.01	Business Ed.....MAEd
13.1308	Home Economics Education.....MAEd
13.1399.01	Library Science.....MAEd
15.9999.01	Engineering & Engineering Related Technologies.....BS
19.0101	Home Economics, General.....BS
19.0303	Family Services.....BS
19.9999.01	Home Economics & Communications.....BS
26.0603	Ecology.....MS
41.0301.01	Chemical Technology.....AS
44.0401.01	Public Administration.....BS
50.0201	Crafts, General.....MA



Murray State University

Financial Report

FOR THE PERIOD

July 1, 1987 - September 30, 1987

**SUBMITTED TO
THE PRESIDENT
AND
BOARD OF REGENTS**

October 26, 1987

Murray State University

Murray, Ky. 42071

October 26, 1987

President Kala M. Stroup and
Members of the Board of Regents
Murray State University
Murray, KY 42071

Dear President Stroup and Members of the Board:

Submitted herewith is the First Quarter Financial Report for Murray State University for the 1987/88 fiscal year. The report covers the period July 1, 1987 through September 30, 1987 and includes the following financial information:

1. Summary of Budget Adjustments
2. Statement of Current Unrestricted Funds
 - a. Revenues by Source
 - b. Expenditures by Function
 - c. Other Changes
3. Statement of Current Unrestricted Fund Balance
 - a. Net Increase in Fund Balance--Current Fiscal Year
 - b. Fund Balance, June 30, 1987
 - c. Preliminary Fund Balance, September 30, 1987
 - d. Allocated Fund Balance (June 30, 1987 Allocations)
 - e. Unallocated Fund Balance, September 30, 1987
4. Detailed Schedule of Current Unrestricted Revenues
 - a. Education and General
 - b. Auxiliaries
5. Statement of Current Restricted Funds
 - a. Revenues by Source
 - b. Expenditures by Function

Respectfully submitted,

Robert R. Ramsey, Jr.
Robert R. Ramsey, Jr.
Interim Vice-President for
Finance and Administrative
Services and Treasurer

David R. Whitmire
David R. Whitmire
Director for Accounting
and Financial Services

MURRAY STATE UNIVERSITY

Summary of Budget Adjustments
For the Period July 1, 1987 through September 30, 1987

	Original Budget	Adjustments/ Revisions	Current Budget Per Report
Revenues	-----	-----	-----
Educational & General	\$44,133,890		
Kentucky Teacher Retirement System		\$ 358,607	
Revolving Accounts		672,391	
Prior Year Carryover*		2,746,685	
Total Educational & General	\$44,133,890	\$ 3,777,683	\$47,911,573
Auxiliary Enterprises	\$ 6,628,568		
Prior Year Carryover*		\$ 346,447	
Total Auxiliary Enterprises	\$ 6,628,568	\$ 346,447	\$ 6,975,015
Total Revenues	\$50,762,458	\$ 4,124,130	\$54,886,588
Expenditures			
Educational & General	\$44,133,890		
Kentucky Teacher Retirement System		\$ 358,607	
Revolving Accounts		672,391	
Prior Year Carryover*		2,746,685	
Total Educational & General	\$44,133,890	\$ 3,777,683	\$47,911,573
Auxiliary Enterprises	\$ 6,628,568		
Prior Year Carryover*		\$ 346,447	
Total Auxiliary Enterprises	\$ 6,628,568	\$ 346,447	\$ 6,975,015
Total Expenditures	\$50,762,458	\$ 4,124,130	\$54,886,588

* Prior Year Carryover is equal to actual balances brought forward to fiscal year 87/88 from 86/87 to date.

MURRAY STATE UNIVERSITY

Statement of Current Unrestricted Funds
Revenues by Source, Expenditures by Function, and Other Changes
For the Period July 1, 1987 through September 30, 1987

	Current Budget	Fiscal Year Actual	Actual % Budget
Revenues			
Educational and General			
Tuition and Fees (Note 1)	\$10,026,550	\$ 5,389,922	54%
State Appropriation (Note 2)	32,115,007	10,453,357	33%
Indirect Cost Reimbursement	228,046	3,119	1%
Sales and Services of			
Educational Departments	172,252	107,659	63%
Other Sources	2,023,033	611,663	30%
Prior Year Carryover (Note 3)	3,346,685	0	0%
Total Educational and General	\$47,911,573	\$16,565,720	35%
Auxiliary Enterprises			
Food Service	\$ 3,268,718	\$ 1,708,343	52%
Housing Service	2,935,550	1,486,788	51%
Curris Center	117,300	29,104	25%
Miscellaneous	115,000	5,044	4%
Vending	0	15,398	N/A
Interest Revenue - Auxiliary Enterprises	140,000	4,858	3%
Intrafund Transfers (Note 5)	52,000	0	0%
Prior Year Carryover (Note 3)	346,447	0	0%
Total Auxiliary Enterprises	\$ 6,975,015	\$ 3,249,535	47%
Total Revenues	\$54,886,588	\$19,815,255	36%
Expenditures and Transfers			
Educational and General (Note 6)			
Instruction	\$18,167,258	\$ 3,510,215	19%
Research	200,286	97,621	49%
Public Service	2,468,881	687,646	28%
Library	1,581,828	555,605	35%
Academic Support	2,255,250	551,463	24%
Student Services	4,725,659	1,197,366	25%
Institutional Support	5,918,757	1,634,164	28%
Operation and Maintenance of Plant	6,007,610	1,308,131	22%
Scholarships (Note 1)	2,619,012	1,281,772	49%
Unassigned	600,000	0	0%
Educational and General Expenditures	\$44,544,541	\$10,823,983	24%
Mandatory Transfers for:			
Consolidated Educational			
Bond Sinking Fund (Note 4)	\$ 3,367,032	\$ 0	0%
Loan Fund Match	0	0	N/A
Intrafund Transfer (Note 5)	0	0	N/A
Total Educational and General	\$47,911,573	\$10,823,983	23%

Statement of Current Unrestricted Funds

Revenues by Source, Expenditures by Function, and Other Changes

For the Period July 1, 1987 through September 30, 1987

Expenditures and Transfers (Cont.)	Current Budget	Fiscal Year Actual	Actual % Budget
Auxiliary Enterprises (Note 6)			
Food Services	\$ 3,209,773	\$ 444,807	14%
Housing Service	2,256,162	316,945	14%
Curris Center	436,164	65,904	15%
Miscellaneous	17,000	2,489	15%
Vending	101,577	14,923	15%
Renovation/Maintenance	284,870	22,886	8%
Scholarships	0	7,147	N/A
Auxiliary Expenditures	\$ 6,305,546	\$ 875,101	14%
Mandatory Transfers for:			
Housing and Dining Bond Sinking Fund (Note 4)	\$ 669,469	\$ 312,416	47%
Total Auxiliary Enterprises	\$ 6,975,015	\$ 1,187,517	17%
Total Expenditures and Mandatory Transfers	<u>\$54,886,588</u>	<u>\$12,011,500</u>	<u>22%</u>
Other Transfers and Additions/Deductions			
Nonmandatory Transfers:			
Transfers from Consolidated Educational Renewal and Replacement Fund			
A. Racer Arena Floor and Goals	\$ 0	\$ 50,000	N/A
Transfers to Consolidated Educational Renewal and Replacement Fund			
A. Interest	0	(15,620)	N/A
Net Nonmandatory Transfers	\$ 0	\$ 34,380	N/A
Net Increase (Decrease) in Fund Balance	<u>\$ 0</u>	<u>\$ 7,838,135</u>	<u>N/A</u>

Statement of Current Unrestricted Funds

Revenues by Source, Expenditures by Function, and Other Changes
For the Period July 1, 1987 through September 30, 1987

- Note 1. Border County Incentive Grants of \$896,411 have been included as tuition revenue and scholarship expenditures. \$35,196 for Summer II 1987, and \$861,215 for Fall 1987.
- Note 2. Kentucky Teacher Retirement System of \$358,607 is reflected as state appropriation and is distributed by functional category based on actual expenditures for the fiscal year to date.
- Note 3. Budget Revisions for Prior Year Carryovers are based on actual balances brought forward to date from fiscal year 86/87 of \$3,346,685 and \$346,447 for Educational and General and Auxiliary Enterprises, respectively. The amounts are only disclosed for management and budgeting purposes.
- Note 4. Additional debt services in the amount of \$21,389 for Housing and Dining have been paid from reserves held by our Trustee.
- Note 5. The intrafund transfer from Consolidated Educational to Housing and Dining is budgeted for Student Union Building Fees of \$52,000. The essence of the intrafund transfer is to transfer funds from Consolidated Educational to Housing and Dining within the Current Unrestricted Fund. Thus, the transfer does not increase or decrease Unrestricted Fund balance.
- Note 6. Outstanding encumbrances as of September 30, 1987 for Educational and General and Auxiliary Enterprises are \$1,542,919 and \$26,783, respectively.

MURRAY STATE UNIVERSITY

Current Unrestricted Fund Balance
For the Period July 1, 1987 through September 30, 1987

Current Unrestricted Revenues	\$ 19,815,255
Current Unrestricted Expenditures	(11,699,084)
Mandatory Transfers for Debt Service	(312,416)
Non-Mandatory Transfers:	(15,620)
Transfers to Plant Funds (Note 1)	50,000

Net Increase/(Decrease) in Fund Balance -- Current Fiscal Year	\$ 7,838,135
Fund Balance - Preliminary June 30, 1987	7,101,245

Fund Balance - Preliminary September 30, 1987	<u>\$ 14,939,380</u>

Allocated (Preliminary Allocations June 30, 1987)	
Athletic Endowment	\$ 159,388
Working Capital	2,191,111
Encumbrances -	317,002
Reserve for Self Insurance	900,000
Prior Year Account Balances	1,985,625
Prior Year Account Balances - Revolving Accounts	424,063
Prior Year Account Balances - Auxiliaries	346,447
Breathitt Veterinary Center	177,609
Operating Budget of Subsequent Years	600,000

Total Allocated	\$ 7,101,245
Unallocated	7,838,135

Total Fund Balance - Preliminary September 30, 1987	<u>\$ 14,939,380</u>

Note 1. The transfers to/from Plant Funds are as follows:

A. To Consolidated Educational Renewal and Replacement	\$ (15,620)
B. From Consolidated Educational Renewal and Replacement	50,000

	<u>\$ 34,380</u>

MURRAY STATE UNIVERSITY

Schedule of Current Unrestricted Revenues
For the Period July 1, 1987 through September 30, 1987

Educational and General

Tuition and Fees

Fall Tuition	\$ 4,700,594
Summer II 1987 Tuition	333,001
Miscellaneous Tuition	5,214
Student Activity Fees	215,620
Other Course Fees	135,493

Total Tuition and Fees \$ 5,389,922

State Appropriations

Murray State University	\$ 9,781,778
Breathitt Veterinary Center	312,972
Kentucky Teacher Retirement System	358,607

Total State Appropriations \$10,453,357

Indirect Cost Reimbursements

Federal and State Indirect Cost Reimbursements	\$ 3,119
--	----------

Total Indirect Cost Reimbursements \$ 3,119

Sales and Services of Educational Departments

Animal Health Tech. Income	\$ 134
Art Cash Sales	2,987
Biology Station Income	549
Chemical Services	7,696
Clinical Services	1,443
Environmental Education Income	11
Environmental Education Preservice Workshop	704
Foreign Language Services	375
H.S. Journalism Workshop	43
KIES Consortium	1,871
MSU News Advertising	4,721
MSU X-Ray Lab	100
Office of Training Services	5,908
Office Systems Service Center	217
Safety Engineering and Health Workshop	615
SAT Activities	12,770
Theatre Revenue	2,706
TV Studio	1,310
University Farms	63,499

Total Sales and Services of Educational Departments \$ 107,659

Schedule of Current Unrestricted Revenues

For the Period July 1, 1987 through September 30, 1987

Educational and General (Cont.)

Other Sources

Archeology Service Center	\$ 1,104
Army Surplus Clearing	30
Athletic Discretionary	13,380
Athletic Non-Discretionary	49,808
Boy Scout Museum	53,730
Breathitt Veterinary Center	24,758
Conferences and Workshops	19,081
Consolidated Educational Revenue Fund Interest	69,662
Cooperative Education/Placement Income	352
Counseling and Testing	1,998
Duplicate Identification Tickets	287
Faculty Resource Center	888
Faculty Resource Center, CPR.	468
Financial Aid Cost Reimbursement	2,259
Fines	2,871
Fort Campbell	52,834
Grants Equipment Revolving	7,730
Interlibrary Loan	214
Intramurals Income	1,359
Library Census Microfilm	487
Library Copy Service	6,605
Library Fines	1,726
Library Other Income	172
Livestock and Exposition Center	2,113
Locker Rental	2,600
Miscellaneous Athletic Revenue	9,163
Miscellaneous Cash Reimbursement	300
Other Revenue	34,825
Permits	22,599
Post Office Box Rental	2,232
Post Office Contract	1,500
Rentals	1,564
Residence Hall Activity Fee	11,699
Return Check Charge	(535)
Rodeo Income	150
Sale of Surplus Property	7,837
Student Government Association	17,187
Summer Orientation	14,056
Summer Youth	66,525
Super Saturdays	2,920
Thesis Binding	(40)
Trust and Agency Interest Revenue	68,029
Community Education	21,277
West Kentucky Environmental Education Consortium	1,308
Wickliffe Mounds Gift Shop	2,161
Wickliffe Mounds Research Center	10,390

Total Other Sources

 \$ 611,663

Schedule of Current Unrestricted Revenues

For the Period July 1, 1987 through September 30, 1987

Total Educational and General	-	\$16,565,720
-------------------------------	---	--------------

Auxiliary Enterprises

Food Services	\$ 1,708,343
Housing Services	1,486,788
Curris Center	29,104
Miscellaneous Auxiliary Revenue	5,044
Vending Revenue	15,398
Auxiliary Interest Revenue	4,858

Total Auxiliary Enterprises		\$ 3,249,535
-----------------------------	--	--------------

Total Current Revenue		\$19,815,255
-----------------------	--	--------------

MURRAY STATE UNIVERSITY

Statement of Current Restricted Funds
Revenues by Source and Expenditures by Function
for the Period July 1, 1987 through September 30, 1987

Revenues	Budget	Actual
	-----	-----
Federal Funds		
Pell	\$1,564,828	\$1,141,667
SEOG	287,783	125,825
Workstudy	400,955	74,448
Grants and Contracts	1,172,731	243,023
	-----	-----
Total Federal Funds	\$3,426,297	\$1,584,963
State Grants and Contracts	866,932	315,983
Other Grants and Contracts	151,366	30,401
	-----	-----
Total Current Restricted Revenues	<u>\$4,444,595</u>	<u>\$1,931,347</u>
Expenditures		
Educational and General (Note 1)		
Instruction	\$1,355,593	\$ 260,187
Research	129,573	53,353
Public Service	271,606	46,325
Library	38,739	6,976
Academic Support	284,549	60,433
Student Services	117,528	27,237
Institutional Support	48,394	9,560
Operation and Maintenance of Plant	3,457	57
Scholarships and Other Financial Aid	2,139,871	1,456,123
	-----	-----
Total Educational and General	\$4,389,310	\$1,920,251
	-----	-----
Auxiliary Enterprises	\$ 55,285	\$ 11,096
	-----	-----
Total Current Restricted Expenditures	<u>\$4,444,595</u>	<u>\$1,931,347</u>

Note 1. Outstanding encumbrances as September 30, 1987 for Current Restricted Funds are \$26,970.



Murray State University

Investment Report

FOR THE PERIOD

July 1, 1987 - September 30, 1987

**SUBMITTED TO:
THE PRESIDENT
AND
BOARD OF REGENTS**

October 26, 1987



Murray State University

Murray, Ky. 42071

October 26, 1987

President Kala M. Stroup and
Members of the Board of Regents
Murray State University
Murray, KY 42071

Dear President Stroup and Members of the Board:

Submitted herewith is the First Quarter Investment Report for the period July 1, 1987 through September 30, 1987, and includes the following financial information:

1. Summary of Investment Earnings by Fund
2. Summary of Investment Earnings by Fund and Fund Accounts
3. Schedule of Investment Activity
 - a. Current Funds
 - b. Plant Funds
 - c. Self-Insurance Fund
 - d. Loan Funds

Respectfully submitted,

Robert R. Ramsey, Jr.

Robert R. Ramsey, Jr.
Interim Vice-President for
Finance and Administrative
Services and Treasurer

David R. Whitmire

David R. Whitmire
Director for Accounting
and Financial Services

MURRAY STATE UNIVERSITY
Summary of Investment Earnings by Fund
For the Period July 1, 1987 through September 30, 1987

	Current Funds	Plant Funds	Loan Funds
	-----	-----	-----
Investment Earnings to date (Note 1)	<u>\$159,115</u>	<u>\$74,765</u>	<u>\$4,354</u>

Note 1: The earnings to date are reported on accrual basis.

MURRAY STATE UNIVERSITY
Summary of Investment Earnings
By Fund and Fund Accounts
For the Period July 1, 1987 through September 30, 1987

	Earnings To Date 87/88 (Note 1)

CURRENT FUNDS	
Trust and Agency Clearing Checking (Peoples Bank)	\$ 68,029
General Investments	16,566
Consolidated Educational Revenue Fund (Frankfort)	69,662
Housing and Dining Revenue Fund (Frankfort)	4,858

Total Current Funds	\$ 159,115
	=====
PLANT FUNDS	
Consolidated Educational Renewal and Replacement (Frankfort)	\$ 15,620
Retirement of Indebtedness (Trustee-Citizens Fidelity)	
Consolidated Educational Sinking Fund	28,278
Housing and Dining Sinking Fund	18,013
Housing and Dining Repair and Maintenance Fund	12,854

Total Plant Funds	\$ 74,765
	=====
LOAN FUNDS	
NDSL Checking (Peoples Bank)	\$ 4,354

Total Loan Funds	\$ 4,354
	=====

Note 1: The earnings to date are reported on accrual basis.

MURRAY STATE UNIVERSITY
Schedule of Investment Activities
For the Period July 1, 1987 through September 30, 1987

CURRENT FUNDS

Type of Investment	Maturity	Term	Yield	Cost	1987-88 Earnings

EDUCATIONAL AND GENERAL					

Trust and Agency Clearing					

Peoples Bank		continuous	Daily rate per overnight		
			Peoples Bank balances	\$	68,029

Total Trust and Agency Clearing interest earnings to date					\$ 68,029
					=====
General Investments					

Certificate of Deposit	11/25/87	365 days	6.25%	\$ 500,000	\$ 9,777
Certificate of Deposit	11/27/87	366 days	6.50%	400,000	6,789

Total General Investments interest earnings to date					\$ 16,566
					=====
Consolidated Educational Revenue Fund (Frankfort)					

Repurchase Agreement	09/16/87	239 days	5.80%	\$ 800,000	\$ 10,053
U.S. Treasury Bills	08/06/87	182 days	5.83%	996,033	5,889
U.S. Treasury Bills	09/03/87	177 days	5.90%	1,088,832	11,446
Repurchase Agreement	09/22/87	179 days	6.11%	500,000	7,128
U.S. Treasury Bills	10/08/87	183 days	5.91%	1,646,456	9,172 *
Repurchase Agreement	07/13/87	91 days	6.35%	115,000	264
Repurchase Agreement	08/10/87	60 days	6.95%	580,000	4,591
Repurchase Agreement	09/09/87	90 days	6.95%	300,000	4,112
Repurchase Agreement	11/09/87	91 days	6.81%	580,000	5,596 *
Repurchase Agreement	12/02/87	90 days	7.07%	1,120,000	5,939 *
Repurchase Agreement	11/20/87	59 days	7.30%	400,000	649 *
Repurchase Agreement	10/16/87	67 days	6.81%	500,000	4,824

Total Consolidated Educational Revenue Fund interest earnings to date					\$ 69,662
					=====
Total Current Funds Educational and General interest earnings to date					\$ 154,257
					=====

* Interest accrued as of September 30, 1987

Page 2
Schedule of Investment Activities
For the Period July 1, 1987 through September 30, 1987

CURRENT FUNDS (Cont'd.)

Type of Investment	Maturity	Term	Yield	Cost	1987-88 Earnings

AUXILIARY ENTERPRISES					

Housing and Dining Revenue Fund (Frankfort)					

U.S. Treasury Bills	09/24/87	181 days	5.82%	\$ 325,602	\$ 4,465
Repurchase Agreement	11/23/87	60 days	7.25%	325,000	393 *

Total Housing and Dining Revenue Fund interest earnings to date					\$ 4,858
					=====
Total Auxiliary Enterprises interest earnings to date					\$ 4,858
					=====
TOTAL CURRENT FUNDS (Educational and General and Auxiliary Enterprises) interest earnings to date (Note 1)					\$ 159,115
					=====

Note 1: Earnings are reported on accrual basis.

* Interest accrued as of September 30, 1987

Schedule of Investment Activities

For the Period July 1, 1987 through September 30, 1987

PLANT FUNDS

Type of Investment	Maturity	Term	Yield	Cost	1987-88 Earnings To Date

Unexpended Plant Funds					

No investments					
Consolidated Educational Renewal and Replacement (CERR)					

Repurchase Agreement	08/06/87	120 days	6.30%	\$ 225,000	\$ 1,457
Repurchase Agreement	08/14/87	60 days	6.85%	430,000	3,682
Repurchase Agreement	10/05/87	60 days	6.71%	650,000	6,663 *
Repurchase Agreement	11/12/87	90 days	6.80%	430,000	3,817 *
Total Consolidated Educational Renewal and Replacement interest earnings to date					<u>\$ 15,620</u>

RETIREMENT OF INDEBTEDNESS FUND

Consolidated Educational Sinking Fund

U.S. Treasury Bills	10/29/87	192 days	5.85%	\$ 1,293,348	\$ 19,958
U.S. Treasury Bills	10/29/87	182 days	6.80%	518,555	8,313
Money Market Securities	09/30/87	29 days	5.00%	804	7
Total Consolidated Educational Sinking Fund interest earnings to date					<u>\$ 28,278</u>

Housing and Dining Sinking Fund

U.S. Treasury Bills	08/06/87	195 days	5.26%	\$ 315,740	\$ 2,896
U.S. Treasury Bills	08/27/87	178 days	5.30%	555,063	4,867
U.S. Treasury Notes	08/15/89	740 days	6.63%	613,281	7,357
U.S. Treasury Notes	08/15/89	719 days	6.63%	63,741	750 *
Money Market Securities	09/30/87	29 days	5.00%	531,992	2,143 *
Total Housing and Dining Sinking Fund interest earnings to date					<u>\$ 18,013</u>

* Interest accrued as of September 30, 1987

Page 4
Schedule of Investment Activities
For the Period July 1, 1987 through September 30, 1987

PLANT FUNDS (Cont'd)

Type of Investment	Maturity	Term	Yield	Cost	1987-88 Earnings To Date

Housing and Dining Repair and Maintenance Reserve Fund					

U.S. Treasury Bills	08/06/87	364 days	5.74%	\$ 730,021	\$ 4,572
U.S. Treasury Notes	08/15/89	740 days	6.63%	751,373	7,749 *
U.S. Treasury Notes	08/15/89	719 days	6.63%	24,516	157 *
Money Market Securities	09/30/87	29 days	5.00%	2,635	377

Total Housing and Dining Repair and Maintenance Reserve Fund					
Interest earnings to date					\$ 12,854
					=====
TOTAL PLANT FUNDS interest earnings to date (Note 1)					\$ 74,765
					=====

LOAN FUND

NDSL		

Checking (Peoples Bank)	continuous	Daily rate per overnight
		Peoples Bank balances
		\$ 4,354

Total NDSL interest earnings to date		\$ 4,354
		=====
TOTAL LOAN FUNDS interest earnings to date (Note 1)		\$ 4,354
		=====

Note 1: Earnings are reported on accrual basis.

* Interest accrued as of September 30, 1987



SYDNEY COLLEGE OF ADVANCED EDUCATION

PO BOX 375, WATERLOO NSW 2017, AUSTRALIA. TELEPHONE (02) 690 4444.

Attachment # 6

City Art
Institute
Paddington

Institute of
Early Childhood
Studies
Waverley &
Newtown

Institute of
Nursing Studies
Newtown, Oatley
& Camperdown

St George
Institute of
Education
Oatley

Sydney Institute
of Education
Newtown

Institute of
Technical &
Adult Teacher
Education
Haymarket

The Guild Centre
Newtown

AGREEMENT BETWEEN
SYDNEY COLLEGE OF ADVANCED EDUCATION
AND
MURRAY STATE UNIVERSITY
FOR STAFF EXCHANGE

INTRODUCTION

Sydney College of Advanced Education and Murray State University, in a collective effort to provide educational interchange between the two institutions, desire to establish an agreement to develop a cooperative relationship and cooperative programs.

OBJECTIVES

The objectives of this cooperative relationship are to increase the educational efforts of both institutions through an exchange of faculty and professional staff, for the purposes of receiving and sharing instruction, participating in research, and other scholarly activities.

GENERAL TERMS AND CONDITIONS

Article 1

Promotion of cooperative activities in all areas of common interest will be sought by both institutions. Special emphasis will focus on the exchange of faculty, as well as curricular development.

LOCATION: 53 - 57 RENWICK STREET, REDFERN NSW.

Article 2

Specific terms and conditions of cooperative projects and/or programs will be individually negotiated by the two institutions.

Article 3

Cooperative projects and/or programs between the two institutions will be based on the principle of reciprocity.

Article 4

The agreement and any future changes in the agreement will be undertaken on the basis of mutual consent.

Article 5

This agreement will become effective when it is signed by the authorized representatives and approved by the governing councils of the institutions, for a period of two years.

Article 6

Each institution will receive a signed, original copy of the agreement. Copies of the agreement, any subsequent changes in the agreement and negotiated terms and conditions for specific projects will be signed by each institution and exchanged.

Article 7

At Murray State University, the cooperative programs will be coordinated by the Center for International Programs of the University. At Sydney College of Advanced Education, such programs will be coordinated by Head, Academic Services.

Article 8

After ratification of the agreement by both institutions, representatives will be named from both institutions to plan an initial program of activities toward implementation of the agreement.

Article 9

This agreement can be terminated by either institution after 60 days provided that any exchange imbalances are corrected.

Article 10

At least three months prior to a staff exchange, the host institution must approve, in writing, the exchange, including the responsibilities of the exchange participant, the period of the exchange, and any other conditions governing the terms of the exchange.

Article 11

The home institutions of the academic and professional staff shall be responsible for the payment of their salary, except in cases in which the money will come from other sources.

Article 12

Cost of travel/transportation for exchange participants will be effected under the following conditions:

- a. Either the home university or the participating academic and professional staff will cover the cost of travel between the home university and the host university, except in cases in which the money will come from other sources.
- b. The host university will pay costs for officially approved travel within the host country within a maximum radius of 100 miles around the principal seat of the university in question.
- c. The host university will not be responsible for the personal travel cost of visiting personnel.

Article 13

All exchangees from Sydney College of Advanced Education must submit, in writing, evidence of comprehensive medical insurance including coverage for accidental death, dismemberment, or illness. This documentation, required for issuance of visa, must be received at Murray State University at lease one month prior to arrival.

Article 14

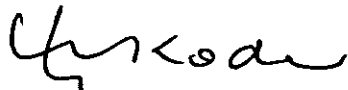
The host institution shall be responsible for the costs of food and for the organization of lodging of visiting academic and professional staff for a maximum period of one month. In those cases where visits exceed one month, the host institution will organize lodging, and costs of housing and maintenance will be negotiated between the universities and agreed to in writing before departure of personnel from the home university.

Article 15

The host institution shall not be responsible for any other personal expenses of the visiting personnel.

Article 16

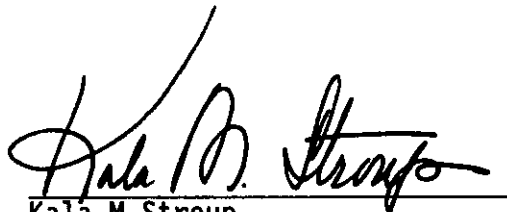
Special conditions governing specific staff exchanges will be negotiated as needed.



L. Michael Koder
Principal
Sydney College of Advanced Education

19. 10. 87

Date



Kala M Stroup
President
Murray State University

Nov 9, 1987

Date

PROPOSED
AGREEMENT BETWEEN MURRAY STATE
UNIVERSITY AND YUNNAN NORMAL UNIVERSITY

INTRODUCTION

Murray State University and Yunnan Normal University, recognizing the value of educational interchange and the benefits of collaboration, establish, through this agreement, a commitment to cooperation and the development of cooperative programs.

OBJECTIVES

The objectives of this cooperative relationship are to improve the educational programs of both institutions through a systematic exchange of academic and professional staff and students and through collaboration in instruction, research, and other scholarly activities.

SECTION 1: GENERAL TERMS AND CONDITIONS

Article 1

Both institutions will work to promote cooperative enterprises in all areas of common interest.

Article 2

The terms and conditions of specific cooperative projects will be negotiated between the two institutions.

Article 3

In general, programs between the two institutions will be based on the principle of reciprocity.

Article 4

This agreement, as well as changes in the agreement, will be undertaken based on mutual consent.

Article 5

This agreement will become effective when it is signed by the authorized representatives of both institutions and approved by the governing councils of the institutions, for a period of two years.

Article 6

Each institution will receive a signed, original copy of the agreement. The agreement, changes in the agreement, as well as the negotiated terms and conditions for individual projects, will be translated into English and Chinese. Each university will receive a copy of the original signed agreement and all other documents in both languages.

Article 7

At Murray State University, programs under the agreement will be coordinated through the Center for International Programs, and at Yunnan Normal University by the Office of the President of the University.

Article 8

The coordinating unit of each institution will designate representatives to plan and organize a program of activities implementing the agreement.

Article 9

This agreement can be terminated by either institution after due notice, provided that any exchange imbalances are corrected.

SECTION 2: EXCHANGE OF ACADEMIC AND PROFESSIONAL STAFF

Article 10

At least three months prior to a staff exchange, the host institution must approve, in writing, the exchange, including the responsibilities of the exchange participant, the period of the exchange, and any other conditions governing the terms of the exchange.

Article 11

The university which sends staff will pay them their usual salary. Murray State University will pay visiting staff and scholars from Yunnan a salary supplement of US \$1,000 per academic semester. Yunnan will pay visiting Murray State scholars and staff a supplementary salary of 400 Renminbi per month.

Article 12

Costs of travel/transportation for exchange participants will be effected under the following conditions:

- a. Each university will cover the cost of roundtrip international air travel for visiting exchange faculty. Local requirements and restrictions will be communicated for each exchange. One requirement is that Murray State University faculty traveling to Kunming, China must fly on CAAC from the east or west coast of the United States to Kunming. The cost of the ticket will be paid by the host institution or reimbursed to the MSU faculty member on arrival in Kunming. Faculty from Yunnan Normal University, whose airfare will be paid by MSU, may fly on any airline.

Expenses related to overnight stays or food while in transit will be the responsibility of the individual.

- b. The host university will pay costs for officially approved travel within the host institution's principal service region. Murray State University will provide visiting Yunnan scholars with the opportunity to visit other universities in Kentucky and the immediate geographic region of Murray, and will cover the costs of Chinese scholars' attendance at a minimum of one major regional or national scholarly conference.
- c. The host university will not be responsible for the personal travel costs of visiting personnel.

Article 13

All exchangees from China must submit, in writing, evidence of comprehensive medical insurance including coverage for accidental death and dismemberment. This documentation must be received at Murray State University at least one month prior to arrival.

Article 14

Yunnan will provide food, lodging and medical care free of charge to all Murray State exchange personnel. Murray State will provide free lodging for Yunnan faculty and either US \$500 per semester for purchasing food or meal coupons to be used in university dining facilities.

Article 15

The host university will not be responsible for individual expenses other than food and lodging.

Article 16

Academic and professional staff participating in the exchange will be examined for language proficiency by an appointed representative at their home institution, using means as determined appropriate by that institution.

SECTION 3: SPECIAL TERMS AND CONDITIONS

Article 17

Both institutions will undertake to exchange periodicals, books, and other materials relating to research and teaching. Assistance in acquiring relevant publications, equipment, and other materials will be undertaken by both institutions if such need should arise.

11.9.87

Date

Kala M. Stroup

Kala M. Stroup

President

11.9.87

Date

吴积才

Wu Jicai

President

OPERATING AGREEMENT
BETWEEN MURRAY STATE UNIVERSITY
AND MURRAY STATE UNIVERSITY FOUNDATION, INC.

WHEREAS, the MURRAY STATE UNIVERSITY FOUNDATION, INC., hereinafter referred to as the "FOUNDATION" is a Kentucky nonprofit corporation formed to receive and expend funds for and on behalf of Murray State University, and

WHEREAS, MURRAY STATE UNIVERSITY, hereinafter referred to as the "UNIVERSITY" is a public institution of higher education located in Murray, Calloway County, Kentucky; and

WHEREAS, the FOUNDATION from time to time receives gifts and donations from private and corporate donors. These gifts and donations may be restricted or unrestricted and are the property of the FOUNDATION, and

WHEREAS, the UNIVERSITY from time to time receives gifts and donations from private and corporate donors. These gifts and donations may be either restricted or unrestricted and are the property of the UNIVERSITY, and

WHEREAS, the FOUNDATION is desirous of using private gifts and donations received by it from individual and corporate donors so as to fulfill its corporate objective, and

WHEREAS, the UNIVERSITY is desirous of utilizing the services of the FOUNDATION in the management of gifts and donations made to the UNIVERSITY from private and corporate gifts and which are UNIVERSITY property, and

WHEREAS, the FOUNDATION, in keeping with its objectives, is willing to manage gifts and donations made to the UNIVERSITY if such is the intent and desire of the UNIVERSITY, and

WHEREAS, the management by the FOUNDATION of UNIVERSITY funds received from gifts and donations is consistent with the centralized direction for fund raising approved by the Board of Regents' policy, and

WHEREAS, prior to the execution of this contract, certain gifts and donations may have been transferred to the FOUNDATION from the UNIVERSITY without memorializing in the records of either party the history (donor-donee-ownership) of the transaction, and

WHEREAS, whether by custom and usage or for whatever reason, certain monies, other than gifts and donations, which are owned by the UNIVERSITY have heretofore been turned over to the FOUNDATION, and should be returned to the UNIVERSITY, and

WHEREAS, it is the purpose of this agreement to create a mechanism whereby an existing atmosphere of cooperation can be enhanced, fostered and developed to the end that the mutual goals and objectives of the parties will continue to be accomplished,

NOW, THEREFORE, in consideration of the premises and the mutual promises contained herein, MURRAY STATE UNIVERSITY FOUNDATION, INC., and MURRAY STATE UNIVERSITY have agreed as follows, to-wit:

A. DEFINITIONS:

1. UNIVERSITY funds are those funds received from any source that are intended by the donors, transferors, or grantors to become the property of the UNIVERSITY.

2. FOUNDATION funds are those funds received from any source that are intended by the donors, transferors, or grantors to become the property of the FOUNDATION.

B. FUTURE DETERMINATION OF FOUNDATION AND UNIVERSITY FUNDS:

1. There are certain funds received by the UNIVERSITY that are intended by the donors, transferors, or grantors to become the property of the FOUNDATION.

2. Likewise, there are funds received by the FOUNDATION that are intended by the donors, transferors, or grantors to become the property of the UNIVERSITY.

3. The parties desire to formulate policies whereby the officers, agents, and representatives of each party may distinguish between those funds and the following guidelines are adopted by the parties for the purpose of making the necessary distinction.

a. The person designated to receive funds for each party will ascertain the intention of the donor, transferor, or grantor of the sum received. Any of the following are permissible sources for a determination of intent.

- i. The writing on the check or other gift instrument.
- ii. Consultation with the donor, transferor, or grantor.
- iii. Documentation associated with or accompanying the gift.

b. In the event the intention of the donor, transferor, or grantor cannot be ascertained by the above or if such is impractical; then sums received and intended for a scholarship, loan, research or professional development, or outreach activities fund or any other program fund which (by reason of its establishment, sponsorship or promotion) is clearly the fund of one of the parties shall become the property of that party.

c. The guidelines in B3 a. and b. above shall be applied to all gifts and donations to the UNIVERSITY which have recently been deposited to a suspense account of the UNIVERSITY pending determination of the intent of the donor, transferor, or grantor.

d. When a party shall receive funds in the future which are obviously intended to be the property of the other party, the receiving party will make a diligent effort to reimburse the other for all funds from gifts, donations, and transfers which have been received by them and should be transferred to the other; the goal of each being to make said transfer within thirty (30) days of the funds receipt.

C. EXISTING FUNDS:

1. It is recognized that there are certain UNIVERSITY funds held by the FOUNDATION. The FOUNDATION agrees to remit to the UNIVERSITY any funds for which documentation exists substantiating that the UNIVERSITY should have been the depository of said funds.

2. It is understood that the FOUNDATION may retain UNIVERSITY funds which the UNIVERSITY chooses by this agreement to be managed by the FOUNDATION.

D. FOUNDATION OBLIGATIONS--MANAGEMENT OF UNIVERSITY FUNDS BY MURRAY STATE UNIVERSITY FOUNDATION:

The FOUNDATION promises and agrees:

1. To develop and implement FOUNDATION policies and procedures for gifts and donations received by the UNIVERSITY from private donors and transferred by the UNIVERSITY to the FOUNDATION for management purposes. These policies and procedures shall deal with the receipt, acknowledgement, deposit, and management of gifts and donations.

2. To revise FOUNDATION policies and procedures as stated in D1 hereinabove from time to time as may be necessary so as to work in concurrence with UNIVERSITY policies and procedures.

3. To provide the UNIVERSITY with quarterly and annual financial reports on UNIVERSITY funds held by it in a format to be described in jointly developed policies and procedures.

E. UNIVERSITY OBLIGATIONS--MANAGEMENT OF UNIVERSITY FUNDS BY MURRAY STATE UNIVERSITY FOUNDATION:

The UNIVERSITY promises and agrees:

1. To develop and implement UNIVERSITY policies and procedures for the receipt, acknowledgement, deposit and expenditure of gifts and donations received by the UNIVERSITY. The cooperation of the FOUNDATION shall be solicited in the development of these policies and procedures.

2. To develop and implement UNIVERSITY policies and procedures whereby the services of the FOUNDATION may be most effectively utilized in the management of UNIVERSITY funds which the UNIVERSITY has received from private gifts and donations and subsequently transferred to the FOUNDATION for management purposes.

3. To provide monthly reports to the FOUNDATION for all gift and donation funds received by the UNIVERSITY.

F. MUTUAL OBLIGATIONS:

It is mutually understood and agreed:

1. That gifts and donations hereinafter made to the UNIVERSITY from private donors shall remain the property of the UNIVERSITY and the transfer from the UNIVERSITY to the FOUNDATION of such funds shall be for management purposes consistent with this agreement.

2. That no gift or donation made to the UNIVERSITY from private donors shall be transferred to the FOUNDATION for management purposes if the terms of the gift or donation specifically prohibit such transfer.

3. That gifts and donations heretofore made to the UNIVERSITY by private donors and subsequently turned over to the FOUNDATION shall remain with the FOUNDATION for management purposes consistent with this agreement.

4. Financial planning for the University Bookstore and budgeting of expenditures hereinafter made from gifts and donations in support of intercollegiate athletics, BSA Museum, and WKMS-Radio shall be undertaken by the FOUNDATION and the UNIVERSITY jointly. The ultimate decision as to expenditures in the areas referenced in this paragraph shall rest with the FOUNDATION as to FOUNDATION funds and with the UNIVERSITY as to UNIVERSITY funds.

5. That nothing in this agreement shall be construed so as to cause either party to give its funds and property to another legal entity; nor shall it be construed so as to require the violation of any statute, law or regulation of the Commonwealth of Kentucky.

6. That this agreement shall not supersede or void other agreements between UNIVERSITY and FOUNDATION unless specifically stated herein.

7. That the parties agree to conduct a semiannual review of this agreement and all FOUNDATION and UNIVERSITY policies relating hereto.

That the term of this agreement shall be for one (1) year from the date hereon; but will be automatically extended for successive one (1) year terms unless either party objects to extension in writing within thirty (30) days prior to the annual termination date. In the event of that objection, the agreement shall terminate.

8. This OPERATING AGREEMENT, signed the 17th day of November, 1987, shall become effective immediately and each of the parties signing states that he/she has authority to act for an on behalf of the organization which he/she represents.

MURRAY STATE UNIVERSITY FOUNDATION, INC.

By: Daird W. Perin By: Harry Lee Peterson
Acting Executive Director Chairman, Board of Trustees

Attest: Jane S. Jackson

MURRAY STATE UNIVERSITY

By: Kela B. Stroup By: W. S. Charles
President Chairman, Board of Regents

Attest: Patsy R. Dyer

A RESOLUTION AUTHORIZING
THE ISSUANCE OF
MURRAY STATE UNIVERSITY
CONSOLIDATED EDUCATIONAL BUILDINGS
REVENUE BONDS, SERIES G

RECITALS

A. The Board of Regents (the "Board") of Murray State University (formerly Murray State College), by Resolution entitled:

"A RESOLUTION creating and establishing a Consolidated Educational Buildings Project of the Murray State College; creating and establishing an issue of Consolidated Educational Buildings Revenue Bonds of the Board of Regents of the Murray State College; providing for the issuance from time to time of said bonds; providing for the payment of the principal of and interest on said bonds and repealing all resolutions or parts of resolutions in conflict with this resolution",

heretofore adopted on April 28, 1961 (hereinafter referred to as the "Basic Resolution") has created and established an issue of Murray State University Consolidated Educational Buildings Revenue Bonds (the "Bonds").

B. The Basic Resolution authorizes the issuance by the Board of the Bonds in one or more series pursuant to a resolution authorizing each such series.

C. The Board has determined that it is in its best interest to authorize at this time an additional series of Bonds to be designated "Murray State University Consolidated Educational Buildings Revenue Bonds, Series G"; the Board having previously authorized, sold, issued and delivered seven (7) prior issues of Bonds designated "Murray State University Consolidated Educational Buildings Revenue Bonds, Series A, Series B, Series C, Series D, Series E, Series F and Series F Refunding."

D. Mandatory provisions of the Tax Equity and Fiscal Responsibility Act of 1982 require that any new series of the Bonds be issued in fully registered form, with the result that procedures for the issuance, payment, registration, and transfer of the Bonds of any such new series will necessarily differ in some particulars from the procedures applicable to the coupon form of the seven (7) prior issues previously issued.

- NOW, THEREFORE, the Board of Regents of Murray State University hereby resolves as follows:

ARTICLE 1

DEFINITIONS AND AUTHORITY.

SECTION 1.1. Series G Resolution. This resolution (hereinafter referred to as the "Series G Resolution") is adopted in accordance with Article II, Section 2.03, of the Basic Resolution.

SECTION 1.2. Definitions.

A. All terms which are defined in Article I of the Basic Resolution shall have the same meanings herein as such terms are given therein.

B. "Series G Bonds" means the Bonds authorized by Article 2 of this Series G Resolution, which Bonds shall be substantially in the form attached as Exhibit A hereto.

SECTION 1.3. Authority. This Series G Resolution is adopted pursuant to the provisions of Section 162.340, et seq., of the Kentucky Revised Statutes and the Basic Resolution.

ARTICLE 2

AUTHORIZATION OF BONDS.

SECTION 2.1. Series G Bonds Authorized. Pursuant to the provisions of the Basic Resolution, there is hereby authorized to be issued by the Board in its corporate capacity, the Series G Bonds in the aggregate principal amount of not to exceed Fourteen Million Nine Hundred Fifty Thousand Dollars (\$14,950,000). Such Bonds shall be designated as "Murray State University Consolidated Educational Buildings Revenue Bonds, Series G." The Series G Bonds have been authorized under the Basic Resolution and in conformity with the provisions of Section 7.10 of the Basic Resolution.

SECTION 2.2. Purpose of Issue. The Series G Bonds are being issued for the purpose of paying the costs (to the extent not otherwise provided) of educational buildings and necessary appurtenances on property owned by Murray State University in Calloway County, Kentucky ("the Series G Project"), including the following anticipated capital project to become a part of the Consolidated Educational Buildings Project: an industrial technology building.

SECTION 2.3. Bond Maturities. The Series G Bonds shall be dated on original issuance as of the first day of the calendar month in which the sale of such Bonds shall occur as hereinbelow provided, or shall be dated as of the first day of the calendar month preceding the month in which such sale shall occur (but in no event shall be dated later than January 1, 1988). The Series G Bonds shall bear interest payable semiannually on May 1 and November 1 of each year, commencing May 1, 1988, at an interest rate or rates to be fixed as a result of advertised

sale and competitive bidding for the Series G Bonds as hereinafter provided. The principal of the Series G Bonds shall be scheduled to become due and payable on May 1 of the respective years, commencing May 1, 1988 or May 1, 1989, in aggregate principal amounts per maturity to be established upon the advice of the Financial Advisor to the Board in the sound discretion of the Board, or its "Bond Sale Committee" hereinafter identified, which shall not exceed in each maturity the following, provided that the aggregate principal amount of the Series G Bonds as hereinbefore authorized shall not exceed Fourteen Million Nine Hundred Fifty Thousand Dollars (\$14,950,000):

Aggregate Principal Amount *	Date of Maturity May 1
\$200,000	1988
460,000	1989
480,000	1990
510,000	1991
530,000	1992
560,000	1993
590,000	1994
630,000	1995
670,000	1996
705,000	1997
750,000	1998
800,000	1999
1,040,000	2000
1,015,000	2001
1,090,000	2002
1,175,000	2003
1,270,000	2004
1,370,000	2005
1,480,000	2006
1,600,000	2007

* In order to allow for adjustment of individual maturities to reflect market conditions at the time of sale of the Series G Bonds, the total of all maturities exceeds \$14,950,000; nevertheless, the aggregate principal amount of the Series G Bonds shall not exceed \$14,950,000.

SECTION 2.4. Type of Bonds. The Series G Bonds shall be issued in fully registered form in denominations designated by the purchasers thereof in multiples of \$5,000 or any integral multiple thereof in substantially the form attached as Exhibit A hereto.

SECTION 2.5. Registration and Transfer. Citizens Fidelity Bank and Trust Company, Louisville, Kentucky, is hereby designated as Registrar and Paying Agent for the Series G Bonds. Each of the Series G Bonds shall be authenticated and dated by the Registrar and Paying Agent as of the date of original issuance of the Series G Bonds or as of the last interest payment date to which interest thereon has been paid or made available for payment, unless the date of authentication is an interest payment date on which interest has been paid or made available for payment, in which case it shall be dated as of such interest payment date. The Registrar and Paying Agent shall establish and maintain at its principal office books for the registration and transfer of the Series G Bonds. Each of the Series G Bonds may be transferred or exchanged only upon payment of any required tax, fee, or other governmental charge and upon an assignment duly executed by the registered owner or his duly authorized attorney in such form and with guarantee as shall be satisfactory to the Registrar and Paying Agent, such transfer to be made on such books by the Registrar and Paying Agent. Upon such transfer, a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount shall be issued to the transferee in exchange therefor. The Board and the Registrar and Paying Agent shall not be required to issue, transfer, or exchange any of the Series G Bonds after the mailing of a notice calling such Bond for redemption as provided herein, nor to transfer or exchange any such Bond selected, called or being called for redemption in whole or in part. The person in whose name each of the Series G Bonds shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal of or interest on such Bond shall be made only upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

SECTION 2.6. Payment. The principal of each of the Series G Bonds shall be payable to the registered owner or his legal representative in any coin or currency which at the time of the payment thereof shall be legal tender for the payment of public and private debts at the principal office of the Registrar and Paying Agent on the maturity thereof or the date fixed for mandatory redemption thereof as provided in this Series G Resolution.

The interest on each of the Series G Bonds shall be payable on the interest payment dates provided in Section 2.3 to the registered owners or their legal representatives as the same appears on the records of the Registrar and Paying Agent at the close of business on the fifteenth day of the month preceding each interest payment date (April 15 and October 15, respectively).

SECTION 2.7. Provisions for Prior Redemption. The Series G Bonds maturing May 1, 1999 and thereafter shall be subject to redemption at the option of the Board in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot), on any interest payment date on or after May 1, 1998, at the redemption prices, expressed in percentages of principal amount with respect to each Bond as set forth below, plus in each case accrued interest to the date of redemption:

<u>If Redeemed:</u>	<u>Redemption Price</u>
On or after May 1, 1998, and prior to May 1, 2001,	103%
On or after May 1, 2001, and prior to May 1, 2004	102%
On or after May 1, 2004 and prior to final maturity	101%

Upon the sale of the Series G Bonds, the Board or its "Bond Sale Committee" hereinafter identified may in its sound discretion upon the advice of the Financial Advisor to the Board approve the redemption provisions set forth above in this Section 2.7, or may approve such modifications to such redemption provisions, including modifications permitting Series G Bonds maturing prior to May 1, 1999 to be redeemed, modifications permitting redemption prior to May 1, 1998, modifications to the periods to which the various redemption prices apply, and modifications to the redemption prices, provided in each such case that no modification shall be less favorable to the Board and the University than the redemption provisions set forth above.

Notice of any such optional redemption shall be given at least thirty (30) days prior to the redemption date by mailing to the owners of the Bonds to be redeemed, by registered mail, a notice fixing the redemption date and the premium, if any, to be paid. The Series G Bonds called for redemption and for the payment of which funds are deposited with the Registrar and Paying Agent on the specified redemption date shall cease to bear interest on said redemption date. Any of the Series G Bonds that are to be redeemed only in part shall be surrendered to the Registrar and Paying Agent (with, if the Registrar and Paying Agent so requires, due endorsement by, or a written instrument of transfer in form and with guarantee satisfactory to the Registrar and Paying Agent duly executed by, the holder or his duly authorized attorney) and the Registrar and Paying Agent shall authenticate and deliver to the holder of such Bond a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for the aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

SECTION 2.8. Execution and Authentication of Bonds. The Series G Bonds shall be executed on behalf of the Board with the reproduced facsimile signature of the Chairman of the Board and attested by the reproduced facsimile signature of the Secretary of the Board, and the facsimile of the corporate seal of the Board shall be imprinted thereon. The Series G Bonds shall be authenticated by the manual signature of a duly authorized officer of the Registrar and Paying Agent.

SECTION 2.9. Security for Bonds; Trustee. For the purpose of securing the payment of both the principal and interest on the Series G Bonds (and any additional parity bonds which may hereafter be issued and outstanding pursuant to the conditions and restrictions set forth in Section 7.10 of the Basic Resolution), and to secure for the benefit of all the holders of the Series G Bonds the faithful performance of the covenants and provisions contained in the Basic Resolution in the manner and to the extent as permitted and provided in the Basic Resolution and in Sections 162.340 et seq., of the Kentucky Revised Statutes, as amended, Citizens Fidelity Bank and Trust Company, Louisville, Kentucky, is hereby designated as Trustee under the Basic Resolution for the holders of all of the Bonds authorized under the Basic Resolution, including the Series G Bonds, with the powers and duties set forth in the Basic Resolution and with no liability in connection with any action or omission to act under the Basic Resolution except for its own negligence or willful breach of trust. Execution of a certificate of the Trustee in connection with the delivery of the Series G Bonds shall conclusively establish the acceptance as to the Series G Bonds by the Trustee of the trusts and provisions with respect thereto as set forth in the Basic Resolution.

SECTION 2.10. Form of Bonds. The Series G Bonds and the certificate of the Registrar and Paying Agent to be endorsed on the Series G Bonds shall be in substantially the forms set forth as Exhibit A to this Series G Resolution.

SECTION 2.11. Conditions of Sale of Bonds; Creation of Bond Sale Committee. The Series G Bonds shall be offered at public sale or public sales upon sealed bids. The Treasurer of Murray State University (who is hereby recognized and designated as the Treasurer of the Board for all purposes of this Series G Resolution and who is hereinafter referred to as the "Treasurer") is hereby authorized and directed to cause an appropriate form or forms of a Notice of Bond Sale of the Series G Bonds to be published in The Courier-Journal, Louisville, Kentucky, which will afford state-wide notice of the sale, and in The Daily Bond Buyer, New York, New York, which is a publication having general circulation among bond buyers, and such publications are hereby declared to be qualified to publish such notices for the Board of Regents within the meaning and provisions of KRS Chapter 424. The Notice of Bond Sale shall be in substantially the form prepared by Wyatt, Tarrant & Combs, Bond Counsel to the Board, as set forth in Exhibit B to this Series G Resolution.

The Series G Bonds shall be offered as a whole, at not less than 98.0% of par, plus accrued interest. Only bids submitted on the Official Bid Form shall be given favorable consideration. The Official Bid Form shall be in substantially the form prepared by Bond Counsel, as set forth in Exhibit C to this Series G Resolution.

The right to reject any or all bids shall be expressly reserved in the Board. On the occasion set forth in such notice the Board, or its "Bond Sale Committee" (hereinafter identified), as the case may be, shall consider all proposals made pursuant to such notice, and if an acceptable bid is received, shall award the Series G Bonds in the manner and for the purposes herein provided, shall establish the dated date of the Series G Bonds, their initial interest payment date, principal maturities of the Series G Bonds, interest rate or rates which the Series G Bonds shall bear, and the redemption provisions for the Series G Bonds as in Section 2.7 hereof provided, and shall take all other necessary and proper steps in the sale and issuance of the Series G Bonds.

The Treasurer, in conjunction with First Kentucky Securities Corporation, Financial Advisor to the Board, and Bond Counsel may cause to be prepared multiple copies of one or more Official Terms and Conditions of Bond Sale giving more complete and particular descriptions of the Series G Bonds, provisions for the security and payment thereof, disposition of bond proceeds and other information that it is not feasible to give within the limits of the published notice or notices, and may furnish copies of such Official Terms and Conditions of Bond Sale to all interested bidders upon request in substantially the form prepared by Bond Counsel, as set forth in Exhibit D to this Series G Resolution.

The Financial Advisor to the Board shall prepare an "Official Statement" for the purpose of providing adequate information to prospective bidders, and the same shall be examined on behalf of the Board by the Treasurer, shall be approved by the Treasurer prior to the use thereof in connection with the sale of the Series G Bonds, and shall be executed on behalf of the Board by the Chairman as evidence of his approval.

The Chairman is hereby authorized and directed to appoint not less than three (3) nor more than five (5) members of the Board to act as an Ad Hoc Bond Sale Committee to act on behalf of the Board solely in approving the sale of the Series G Bonds and the terms thereof as in this Series G Resolution provided. The Chairman shall be an ex officio member of the Bond Sale Committee.

SECTION 2.12. Disposition of Proceeds of Bonds; Construction Account. Upon the delivery of the Series G Bonds, the proceeds thereof, together with interest accrued thereon to the date of their delivery, if any, shall be credited to the State Treasury of the Commonwealth and immediately thereupon shall be transferred to the Trustee and deposited as follows:

A. a sum equal to the interest accrued on the Series G Bonds from their dated date to the date the Series G Bonds are delivered shall be deposited in the "Consolidated Educational Buildings Project Bond and Interest Sinking Fund" (the "Bond Fund" established by the Basic Resolution) and applied to the payment of the interest becoming due on the Series G Bonds on their first interest payment date; and

B. a sum approved by the Treasurer upon the advice of the Financial Advisor to the Board shall be deposited in the Bond Fund for the purpose of funding the debt service reserve in the Bond Fund in an amount which, together with other funds expected to be available during the current biennium for such purpose, shall equal the maximum Aggregate Principal, Interest and Bond Fund Charges as defined in the Basic Resolution; and

C. a sum approved by the Treasurer upon the advice of the Financial Advisor to the Board shall be deposited in a separate account with the Trustee which is hereby designated and established as the "Series G Costs of Issuance Account" to be applied to the payment to First Kentucky Securities Corporation as Financial Advisor to the Board the contractual compensation which shall then be due and payable, and other costs associated with the authorization, issuance, sale and delivery of the Series G Bonds; and

D. the entire balance of the proceeds of the Series G Bonds remaining after the deposit of accrued interest thereon shall be transferred to the State Treasury of the Commonwealth, for deposit in a separate and special account hereby created and established and designated as the "Murray State University Consolidated Educational Buildings Project - Series G Bond Proceeds Construction Account" (the "Construction Account").

All monies then on deposit in the Construction Account shall be available for application to the costs of the Series G Project hereinbefore in this Series G Resolution identified for which the Series G Bonds have been authorized.

The State Treasurer of the Commonwealth is hereby authorized and requested to make disbursements from the Construction Fund according to such inspection, audit and disbursement procedures as may from time to time be provided by law, for the purpose of paying the costs of erecting and completing the Series G Project in accordance with the plans and specifications therefor, but only upon certification of the respective Engineers having supervision of the Series G Project, as to each disbursement, that the amount thereof has been duly earned by and is payable to the designated party or parties for materials, services, and/or labor furnished pursuant to a proper contract duly awarded therefor.

Upon the completion of the Series G Project, as certified by the Engineers, any balance remaining in the Construction Account after the payment of all project costs shall be deposited in the Bond Fund; provided, however, that if Series G Bond proceeds are remaining at a time when there is pending or imminently contemplated the construction of one or more additional educational buildings which are to be financed from the proceeds of additional Bonds pursuant to the Basic Resolution, and which building or buildings will constitute a part of the Consolidated Educational Buildings Project, any such unexpended balance may be taken into account in determining the amount of

additional Bonds to be authorized therefor, or may otherwise be applied to the proper costs thereof, in which event such unexpended balance in the Construction Account, upon direction of the Board, shall be transferred to the construction account created for the additional Bonds.

Monies on deposit in the Construction Account shall be invested and reinvested from time to time by the State Treasurer upon direction to the State Treasurer by the Treasurer, in direct obligations of the United States Government or agencies of the United States Government, or obligations which are fully guaranteed by the United States Government, or in negotiable or nonnegotiable Certificates of Deposit issued by any bank, trust company or national banking association (including the Trustee) which is a member of the Federal Reserve System or of the Federal Deposit Insurance Corporation, provided that such Certificates of Deposit shall be continuously secured by a valid pledge of direct obligations of or obligations guaranteed by the United States Government having a market value (exclusive of accrued interest) at all times equal to at least 100% of the principal amount of said Certificates of Deposit in excess of Federal Deposit Insurance Corporation coverage, which Certificates shall be lodged with the State Treasurer as custodian, or in investments permitted by KRS 42.500(9). The Investments shall be made upon the determination of the Treasurer, upon advice from the Engineers, that monies on deposit in the Construction Account are not immediately required for construction purposes and any investments made from the Construction Account shall be selected in contemplation of the anticipated schedule of disbursements prepared by the Treasurer. All such investments shall be reconverted into cash as and when cash is required to pay costs for which the Construction Account is established.

ARTICLE 3

DUTIES OF TREASURER; NON-ARBITRAGE AND OTHER COVENANTS

SECTION 3.1. Compliance with Section 7.10 of the Basic Resolution. Prior to the delivery of the Series G Bonds, it shall be the duty of the Treasurer to file with the Trustee a statement indicating that the annual Revenues from the Project, adjusted as provided in Section 7.10 of the Basic Resolution, for the two fiscal years immediately preceding the issuance of the Series G Bonds were equal to not less than 1.25 times the maximum Aggregate Principal, Interest and Bond Fund Charges payable out of the Revenues of the Project in any succeeding twelve month period ending May 1 on the Bonds then outstanding and the Series G Bonds proposed to be issued hereunder.

SECTION 3.2. GENERAL COVENANT AGAINST ARBITRAGE.

A. The Treasurer is hereby charged with the responsibility for issuing and delivering the Series G Bonds and shall have responsibility for the receipt, disbursement, use and investments of the proceeds of the Series G Bonds and shall certify at the time the Series G Bonds are delivered that on the basis of the facts, estimates and circumstances in existence on the date the Series G Bonds are delivered that it is not expected that the proceeds thereof will be used in any manner that would cause the Series G Bonds to be "arbitrage bonds." The Board covenants that it will make no use of [i] the proceeds of the Series G Bonds or [ii] any other funds which may be deemed to be proceeds of the Series G Bonds pursuant to Section 148 of the Internal Revenue Code of 1986 and the regulations thereunder (collectively, the "Code") or any successor provision (collectively, "Section 148") or [iii] any other funds held hereunder and no other action shall be taken or omitted, which would cause the Series G Bonds to be "arbitrage bonds" within the meaning of Section 148 or any applicable regulations thereunder, and the Board will comply with the requirements of Section 148 so long as any of the Series G Bonds are Outstanding.

B. The Board further specifically covenants as follows:

[1] None of the proceeds of the Series G Bonds shall be used directly or indirectly [i] to acquire "higher yielding investments" (hereinafter defined) or [ii] to replace funds which were used directly or indirectly to acquire higher yielding investments.

[2] All of the "gross proceeds" (hereinafter defined) of the Series G Bonds, other than gross proceeds held in a "bona fide debt service fund" (hereinafter defined), will be expended on the Series G Project either [a] within six (6) months of the date of issuance of the Series G Bonds or [B] if the portion of the proceeds of the Series G Bonds which are not expended within such six-month period does not exceed the lesser of five percent (5%) of the proceeds of the Series G Bonds or \$100,000, within one year of the date of issuance of the Series G Bonds; or

[3] If any part of the gross proceeds of the Series G Bonds has not been expended on the Series G project within six (6) months of the date of issuance of the Series G Bonds (or within one year of the date of issuance of the Series G Bonds, if Paragraph 2[b] above applies), the Board shall pay or cause to be paid to the United States the amounts described in Subparagraph [a] below in accordance with the terms and conditions set forth therein.

[a] At the time or times hereinafter set forth, the Board shall pay or shall cause the Trustee to pay to the United States an amount, hereinafter referred to as the "Rebate Amount," which is equal to the sum of:

[1] the excess of --

[A] the aggregate amounts earned from the date of issuance of the Series G Bonds on all nonpurpose investments (hereinafter defined) in which gross proceeds of the Series G Bonds have been invested (other than nonpurpose investments attributable to an excess described herein) over

[B] the aggregate amounts which would have been earned if the yield (hereinafter defined) on such nonpurpose investments (other than nonpurpose investments attributable to an excess described herein) had been equal to the yield on the Series G Bonds, plus

[2] any income attributable to the excess described in the Clause [1] above.

[b] The Rebate Amount payable to the United States shall be determined annually by the Board for each bond year (hereinafter defined) during which any of the Series G Bonds remain outstanding and upon retirement of the last of the Series G Bonds (each such period is hereinafter referred to as a "computation period"). Upon such determination, that portion of the Rebate Amount described in [a][1] above, if any, shall be deposited in the Principal Subaccount of the Excess Investment Earnings Account created pursuant to the provisions of Section 3.2C of this Series G Resolution. That portion of the Rebate Amount described in [a][2] above shall be deposited, as it is earned, in the Income Subaccount of the Excess Investment Earnings Account established under Section 3.2C of this Series G Resolution. The Rebate Amount shall be paid to the United States in installments, as follows:

[1] subject to Clause [3] below, the first such installment shall be paid no later than thirty (30) days after the end of the fifth (5th) bond year;

[2] subject to Clause [3] below, an additional installment shall be paid on or prior to the last day of each additional installment payment period during which any of the Series G Bonds remain outstanding. For purposes of this Clause [2], an installment payment period shall commence on the last day on which a preceding installment of the Rebate Amount was required to be paid, and shall end on the day preceding the fifth (5th) anniversary of such payment date;

[3] anything herein to the contrary notwithstanding, the last installment shall be paid no later than sixty (60) days after the last of the Series G Bonds has been retired; and

[4] each installment shall be in an amount which, when aggregated with the amount of any prior installments paid to the United States hereunder, will equal at least ninety percent (90%) of the total Rebate Amount payable to the United States hereunder as of the date such installment is paid; provided, however, that the last installment shall be in an amount equal to the entire remaining balance of the Rebate Amount payable to the United States hereunder.

[c] The Board shall maintain or cause to be maintained records of such determinations for each computation period until six (6) years after payment in full of the Series G Bonds and shall make such records available to the Trustee and its representatives upon reasonable request therefor.

[d] As of the issuance and delivery of the Series G Bonds, the Treasurer on behalf of the Board, the Trustee, and the State Treasurer, respectively, shall covenant and agree that each of them will, on or before each anniversary of the date of issuance of the Series G Bonds, prepare and file with the Board a report with respect to the Fund or Account held by them, namely the Revenue Fund, the Bond Fund and the Construction Account, respectively, setting forth the total amounts invested in each such Fund or Account during the preceding bond year, the investments made with the moneys in each such Fund or Account and the investment earnings (and losses) resulting from the investments in each such Fund or Account, together with such additional information concerning each such Fund or Account and the investments therein as the Board shall reasonably request.

[4] For purposes of Clause [1] of Subparagraph 3[a] above, the Board, in determining the aggregate amounts earned on all nonpurpose investments acquired with gross proceeds of the Series G Bonds,

[a] will take into account any gain or loss incurred on the disposition of any such nonpurpose investment, and

[b] unless the Board otherwise elects, will not take into account any amounts earned on nonpurpose investments held in a bona fide debt service fund for the Series G Bonds during any bond year in which the gross earnings on such fund do not exceed One Hundred Thousand Dollars (\$100,000).

[5] Except as provided in Section 1.103-15AT(d)(6) of the Temporary Income Tax Regulations with respect to the purchase of obligations of the United States Treasury directly from the United States Treasury, at no time shall any of the gross proceeds of the Series G Bonds be invested [a] in nonpurpose investments having a purchase price which is not equal to the purchase price of comparable investments or producing a yield which is not equal to the fair market yield of comparable investments, or [b] in any other manner resulting in a "prohibited payment" (within the meaning of Section 1.103-15AT(d)(6) of the Temporary Income Tax Regulations) of any portion of the Rebate Amount, directly or indirectly, to a person other than the United States.

[6] Notwithstanding the provisions of Paragraph 2 above, if gross proceeds of the Series G Bonds subsequently arise following the end of the six-month period (or the one-year period, if Paragraph 2 [b] above applies) commencing on the date of issuance of the Series G Bonds (whether due to sale of the Series G Project, damage or destruction to the Series G Project, or otherwise) the provisions of Such Paragraph 2 shall cease to apply and the Board shall be obligated to [i] make the payments to the United States set forth in Subparagraph 3[a] above with respect to the gross proceeds of the Series G Bonds which arise following the end of such six-month (or one-year) period (but not with respect to gross proceeds of the Series G Bonds expended during such six-month or one-year period) and perform the other duties set forth in Subparagraph 3[b] above, and [ii] limit the amount of gross proceeds of the issue and perform the other duties set forth in Paragraph 3 above.

[7] For purposes of construing this Section 3.2B, the following definitions shall apply:

[a] "bona fide debt service fund" shall have the meaning set forth in Income Tax Regulation Section 1.103-13(b)(12);

[b] "bond year" shall mean the one-year period commencing on the date of issuance and delivery of the Series G Bonds and ending one year later, and each one-year period thereafter until payment in full of the Series G Bonds;

[c] "debt service" shall have the meaning set forth in Section 148(d)(3)(D) of the Code and Temporary Income Tax Regulation Sections 1.103-15AT(b)(5) and 1.103-15AT(c)(4);

[d] "gross proceeds" shall have the meaning set forth in Section 148(f)(6)(B) of the Code and Temporary Income Tax Regulation Section 1.103-15AT(b)(6) and shall include:

- [1] original proceeds of the Series G Bonds;
- [2] investment proceeds of the Series G Bonds;
- [3] transferred proceeds of the Series G Bonds;

[4] amounts held in a sinking fund for the Series G Bonds;

[5] amounts held in a reasonably required reserve or replacement fund for the Series G Bonds;

[6] securities or obligations pledged as security for the payment of debt service on the Series G Bonds;

[7] amounts received with respect to acquired purpose investments acquired with the proceeds of the Series G Bonds;

[8] any other amount to be used to pay debt service on the Series G Bonds; and

[9] any amounts received as a result of investing any amounts described in [1] through [8] above;

[e] "higher yielding investments" means any investment property (hereinafter defined) which could reasonably be expected at the time of issuance of the Series G Bonds, to produce a yield over the term of the issue which is materially higher (taking into account any discount or premium) than the yield on the Series G Bonds;

[f] "investment property" means [1] any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code), [2] any obligation, [3] any annuity contract or [4] any investment type property, but shall not include any tax-exempt bond (as defined in Section 150(a)(6) of the Code);

[g] "nonpurpose investment" means any investment property which [1] is acquired with the gross proceeds of the Series G Bonds and [2] is not acquired in order to carry out the governmental purpose of the Series G Bonds; and

[h] "yield" shall be determined as provided in Section 147(h) of the Code and Temporary Income Tax Regulation Section 1.103-15AT(b)(3) and Temporary Income Tax Regulation Section 1.103-15AT(c)(40).

[8] References in this Section 3.2 to the Income Tax Regulations and the Temporary Income Tax Regulations are to the regulations promulgated under Section 103(c) of the Internal Revenue Code of 1954, as amended, and any regulations promulgated in lieu thereof under Section 148 of the Code.

C. A special trust fund is hereby established with the Trustee and designated as the "Excess Investment Earnings Account." There are hereby established within the Excess Investment Earnings Account two separate subaccounts, designated as the "Principal Subaccount" and the "Interest Subaccount."

The Board covenants and agrees that it will [i] prepare and file with the Trustee a report setting forth the "Rebate Amount" determined in accordance with Section 3.2B and [ii] deposit or cause to be deposited into the Excess Investment Earnings Account any and all Rebate Amounts promptly following a determination of any such Rebate Amount.

The Trustee agrees that it will, to the extent practicable, keep all moneys in the Excess Investment Earnings Account fully invested in investments permitted by this Series G Resolution and it will disburse all moneys in the Excess Investment Earnings Account to the United States at the times and in the manner set forth in Section 3.2B.

Moneys in the Excess Investment Earnings Account, including investment earnings thereon, if any, shall not be subject to the pledge of this Series G Resolution and shall not constitute part of any of the Funds held hereunder for the benefit and security of the Bondholders.

SECTION 3.3. Specific Tax Covenants. The Board represents, warrants and covenants that [A] none of the proceeds of the Series G Bonds are to be used for any private business use; [B] no portion of the payment of the principal of or interest on the Series G Bonds is under the terms of such bond issue, or under any underlying arrangement, directly or indirectly, [i] secured by an interest in [a] property used or to be used for a private business use or [b] payments in respect of such property, or [ii] to be derived from payments (whether or not to the Board) in respect of property, or borrowed money, used or to be used for a private business use; and [C] none of the proceeds of the Series G Bonds are to be used (directly or indirectly) to make or finance loans to persons other than governmental units, all within the meaning of Section 141 of the Code.

ARTICLE 4

MISCELLANEOUS

SECTION 4.1. Severability. If any one or more of the covenants or agreements provided in this Series G Resolution on the part of the Board or of the Trustee or of the Registrar and Paying Agent to be performed shall be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be deemed severable from the remaining covenants and agreements herein contained and the invalidity thereof shall in no way affect the validity of the other provisions of this Series G Resolution.

SECTION 4.2. Conflicts Repealed. All resolutions or parts of resolutions in conflict herewith shall be and the same are hereby repealed insofar as such conflict exists.


SECTION 4.3. Effective Date of Resolution. This Series G Resolution shall take effect immediately upon adoption by the Board.

ADOPTED NOVEMBER 17, 1987

(SEAL)

ATTEST:


Secretary, Board of Regents


Chairman, Board of Regents

FRONT

(FORM OF SERIES G BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
MURRAY STATE UNIVERSITY
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BOND
SERIES G

No. R- _____

\$ _____

INTEREST RATE

MATURITY DATE

CUSIP

REGISTERED OWNER:

The Board of Regents of Murray State University, a body corporate and an educational institution and agency of the Commonwealth of Kentucky (hereinafter called the "Board of Regents"), for value received, hereby promises to pay, solely from the special fund provided therefor, as hereinafter set forth, to the registered owner set forth above or registered assigns, on the Maturity Date set forth above, the principal sum set forth above, and to pay, solely from said special fund, interest thereon from the date hereof until payment of principal in full, at the Interest Rate per annum set forth above, semiannually on May 1 and November 1 in each year, commencing May 1, 1988, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto, both principal and interest being payable in any coin or currency which at the time of payment thereof is legal tender for the payment of public and private debts at the principal office of the Registrar and Paying Agent, Citizens Fidelity Bank and Trust Company, in the City of Louisville, Kentucky (or any successor appointed pursuant to the provisions of the Basic Resolution herein mentioned). Payment of interest hereon shall be made to the registered holder hereof as the same appears from the registration books of the Registrar and Paying Agent at the close of business on the fifteenth day of the month preceding each interest payment date by check or draft mailed to such registered holder at his address as it appears on such books or at such other address as is timely furnished in writing by such registered holder to the Registrar and Paying Agent.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

SERIES G RESOLUTION
EXHIBIT A

This Bond shall not be valid or become obligatory for any purpose, or be entitled to any security or benefit, under the Basic Resolution, until it shall have been authenticated by the execution by the Registrar and Paying Agent of the certificate hereon endorsed.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond, do exist, have happened, and have been performed in due time, form and manner as required by law, and the amount of this Bond, together with all other obligations of the Board of Regents and of Murray State University, does not violate any provisions or exceed any limit prescribed by the Constitution or Statutes of Kentucky; that the Project herein mentioned will be continuously operated; and that a sufficient portion of the gross revenues therefrom has been pledged to and will be set aside into the Bond Fund herein mentioned for the payment of the principal of and interest on this Bond and the issue of which it is one, and all other bonds which by their terms and the terms of the Basic Resolution are payable from the Bond Fund, as and when the same will respectively become due.

IN TESTIMONY WHEREOF, the Board of Regents of Murray State University has caused this Bond to be executed on its behalf by the reproduced facsimile signature of its Chairman and attested by the reproduced facsimile signature of its Secretary, and the facsimile of its corporate seal to be imprinted hereon, all being done as of the 1st day of

[Facsimile of Seal]

[Facsimile Signature]

Chairman
Board of Regents
Murray State University

ATTEST:

[Facsimile Signature]

Secretary
Board of Regents
Murray State University

AUTHENTICATION CERTIFICATE

This Bond is one of the Series G Bonds described in the within-mentioned Series G Resolution. Printed on the reverse hereof is the complete text of the opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel, dated the date of the original delivery of and payment for such Bonds, a signed counterpart of which opinion is on file with the undersigned Registrar and Paying Agent.

CITIZENS FIDELITY BANK AND
TRUST COMPANY
REGISTRAR AND PAYING AGENT
Louisville, Kentucky

By [Manual Signature]
Authorized Officer

Date: _____

REVERSE

This Bond is one of a duly authorized issue of Bonds designated as "Murray State University Consolidated Educational Buildings Revenue Bonds" (hereinafter referred to as the "Bonds") issued and to be issued under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including among others, Sections 162.350 to 162.380, inclusive, of the Kentucky Revised Statutes now in full force and effect, and under and pursuant to the resolution adopted by the Board of Regents on April 28, 1961 (hereinafter referred to as the "Basic Resolution"), and the Series G Resolution adopted by the Board of Regents on November 16, 1987.

As provided in the Basic Resolution, the Bonds may be issued from time to time pursuant to separate resolutions in one or more series, in various principal amounts, may bear interest at different rates and may otherwise vary as in the Basic Resolution provided. The aggregate principal amount of Bonds which may be issued under the Basic Resolution is not limited except as provided in the Basic Resolution, and all Bonds issued and to be issued under the Basic Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Basic Resolution.

This Bond is one of a series of Bonds of various maturities designated as "Murray State University Consolidated Educational Buildings Revenue Bonds, Series G" (herein called the "Series G Bonds") issued in the aggregate principal amount of \$ _____ under the Basic Resolution and the Series G Resolution for the purpose of financing the costs (to the extent not otherwise provided) of educational buildings and necessary appurtenances as parts of the Consolidated Educational Buildings Project of the University (herein referred to as the "Project"). Copies of the Basic Resolution and the Series G Resolution are on file at the office of the Trustee. Reference is hereby made to the Basic Resolution pursuant to which Citizens Fidelity Bank and Trust Company, in the City of Louisville, Kentucky, has been designated as Trustee for the holders of the Bonds of which this Bond is one and for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds; the rights, duties and obligations of the Board of Regents, and of the Trustee, and the rights of the holders of the Bonds; and by the acceptance of this Bond, the holder hereof assents to all of the provisions of the Basic Resolution and the Series G Resolution.

The holder of this Bond shall have no right to enforce the provisions of the Basic Resolution or the Series G Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Basic Resolution or the Series G Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Basic Resolution. The Basic Resolution provides for fixing, charging and collecting fees for the services of the Project, which fees will be sufficient to pay the principal of and interest on the Bonds payable out of the Revenues of the Project as the same become due and provide reserves for such purposes and also to pay the costs of operation and maintenance of the Project to the extent the same are not otherwise provided. The Basic Resolution provides for the creation of a special account designated "Consolidated Educational Buildings Project Bond and Interest Sinking Fund" (herein called the "Bond Fund") and for the deposit to the credit of the Bond Fund of a fixed amount of the gross revenues of the Project to pay interest on the Bonds as the same becomes due, and to pay or retire the principal of the Bonds at or prior to the maturity thereof, and to provide a reserve for such purpose, which Bond Fund is pledged to and charged with the payment of said principal and interest.

The issue of Series G Bonds of which this Bond is one and all other Bonds outstanding from time to time under the Basic Resolution, are payable only from a fixed amount of the gross revenues derived from the operation of the Project which will be set aside in said Bond Fund, and this Bond does not constitute any indebtedness of Murray State University or of the Board of Regents or of the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Registrar and Paying Agent, Citizens Fidelity Bank and Trust Company, Louisville, Kentucky, but only in a manner and subject to the limitations provided in the Basic Resolution and the Series G Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Board of Regents and the Registrar and Paying Agent may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on

account of principal hereof and interest due hereon and for all other purposes, and neither the Issuer nor the Registrar and Paying Agent shall be affected by any notice to the contrary.

This Bond may, at the option of the registered holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity and interest rate and of any other authorized denomination at the principal office of the Registrar and Paying Agent, but only in a manner and subject to the limitations provided in the Basic Resolution and the Series G Resolution, and upon surrender and cancellation of this Bond. The Board of Regents and the Registrar and Paying Agent shall not be required to issue, transfer, or exchange any of the Bonds after the mailing of a notice calling such Bond for redemption as provided in the Series G Resolution, nor to transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

The Series G Bonds maturing May 1, _____, and thereafter shall be subject to redemption at the option of the Board of Regents in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot), on any interest payment date on or after _____, at the redemption prices, expressed in percentages of principal amount, with respect to each Bond as set forth below, plus in each case accrued interest to the date of redemption:

<u>If Redeemed:</u>	<u>Redemption Price</u>
On or after _____, and prior to _____	_____%
On or after _____, and prior to _____	_____%
On or after _____, and prior to final maturity	_____%

Notice of any such optional redemption shall be given at least thirty (30) days prior to the redemption date by mailing to the registered owner of this Bond, by first-class mail, a notice fixing such redemption date, and the premium, if any, to be paid. If funds for the payment of this Bond are deposited on the specified redemption date, this Bond shall cease to bear interest on said redemption date. If this Bond is redeemed only in part, upon its

surrender the Registrar and Paying Agent shall authenticate and deliver to the holder of this Bond a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for the aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so redeemed.

A statutory mortgage lien, which is hereby recognized as valid and binding on the Project, is created and granted to and in favor of the holder or holders of this Bond and the issue of Bonds of which it is one, and the Project shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on this Bond and the issue of Bonds of which it is one.

[Legal Opinion]

[Form of Assignment]

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and
not as tenants in common
UNIF GIFT MIN ACT -- _____ Custodian _____ under
(Cust) (Minor)
Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____
(Tax Identification or Social Security No. _____)
the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____,
attorney, to transfer the within bond on the

books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange or a commercial bank or trust company.

NOTE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

MURG/503

NOTICE OF BOND SALE

MURRAY STATE UNIVERSITY
Murray, Kentucky

\$ _____ Murray State University Consolidated
Educational Buildings Revenue Bonds, Series G

The Treasurer of the Board of Regents of Murray State University (the "Board") hereby gives notice that the Board will until the hour of _____ .m. C.S.T., on _____, receive in the Office of the Vice President for Finance and Administrative Services, Room 322A, Sparks Hall, Murray State University Campus, Murray, Kentucky 42071, sealed competitive bids for the purchase of \$ _____ of its Murray State University Consolidated Educational Buildings Revenue Bonds, Series G, dated _____ (the "Bonds"). Proposals for the purchase of the Bonds will be considered by the Board or its Bond Sale Committee, at a meeting at _____ .m., C.S.T., on _____.

The Bonds are issued pursuant to the provisions of [i] a Resolution of the Board adopted on April 28, 1961, [ii] a Series Resolution of the Board adopted on November 17, 1987 and [iii] Sections 162.340 through 162.380 of the Kentucky Revised Statutes, as fully registered Bonds in denominations of \$5,000 and integral multiples thereof, maturing serially on May 1 in each of the years _____ through _____; subject to prior redemption on and after _____.

The Bonds are not general obligations of the Board, the University or the Commonwealth of Kentucky but are special obligations payable from a first lien and charge upon the defined Revenues of the Consolidated Educational Buildings Project.

Bids must be on Official Bid Form contained in Information for Bidders available from the undersigned or First Kentucky Securities Corporation, Suite 324, State National Bank Building, P. O. Box 554, Frankfort, Kentucky 40602-0554, telephone (502) 875-4611. Reference should be made to Official Terms and Conditions of Bond Sale and the Official Statement for details and bidding conditions.

The right to reject bids or waive informality is reserved. Delivery on or prior to _____ anticipated.

_____, Treasurer
of the Board of Regents,
Murray State University

DRAFT

\$14,785,000

MURRAY STATE UNIVERSITY

CONSOLIDATED EDUCATIONAL BUILDINGS
REVENUE BONDS, SERIES G

DATED DECEMBER 1, 1987

THE BONDS HAVE NOT BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT
OBLIGATIONS" UNDER SECTION 265 OF THE INTERNAL
REVENUE CODE OF 1986.

INFORMATION FOR BIDDERS

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NOTICE OF BOND SALE

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

OFFICIAL BID FORM

DATE OF SALE: December 2, 1987, _____.m., C.S.T.

Preliminary Official Statement Dated _____, 1987

MOODY'S RATING:
(See "Rating" herein)

OFFICIAL STATEMENT

DRAFT

\$14,785,000
MURRAY STATE UNIVERSITY
CONSOLIDATED EDUCATIONAL BUILDINGS
REVENUE BONDS
SERIES G

Dated December 1, 1987

Due May 1, as shown below

Interest payable on May 1, 1988 and semiannually thereafter on May 1 and November 1. The Bonds are issued in fully registered form in denominations of \$5,000 or integral multiples thereof. Interest on the Bonds is payable by check or draft mailed by Citizens Fidelity Bank and Trust Company, Louisville, Kentucky, Registrar and Paying Agent, to each Bondholder of record as of the 15th day of the month preceding the due date by regular United States mail. Principal shall be paid upon submission of matured or called bond certificate(s) to the Paying Agent at its principal office in Louisville, Kentucky. Any Bond is transferable without expense to the Bondholder upon presentation of such Bond and proper endorsement at the principal office of the Registrar.

Bonds maturing on and prior to May 1, 1998, are not subject to redemption prior to maturity. Bonds maturing May 1, 1999 and thereafter are subject to redemption prior to maturity at the option of the University in whole or from time to time in part in inverse order of their maturities (less than all of a single maturity to be selected by lot), on any interest payment date on or after May 1, 1998. Should any of the Bonds be called for redemption, there shall be paid to the registered owner(s), upon surrender of the Bonds, interest earned to the redemption date and an amount, stated in terms of a percentage of the principal amount of each of the Bonds to be redeemed as follows: 102% if redeemed on or after May 1, 1998, and prior to May 1, 1999; 101% if redeemed on or after May 1, 1999, and prior to May 1, 2000; and 100% if redeemed on or after May 1, 2000, and prior to final maturity.

Proceeds of the Bonds will be used to pay the costs, to the extent not otherwise provided, of the construction and equipping of a new industrial technology building located on the campus of the University in Calloway County, Kentucky, which shall be a part of the Consolidated Educational Buildings Project (the "Project") described herein.

SCHEDULE OF MATURITIES

<u>Due</u> <u>May 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Due</u> <u>May 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>
1989	\$355,000			1999	\$ 655,000		
1990	375,000			2000	895,000		
1991	400,000			2001	955,000		
1992	420,000			2002	1,030,000		
1993	445,000			2003	1,110,000		
1994	470,000			2004	1,200,000		
1995	510,000			2005	1,300,000		
1996	545,000			2006	1,405,000		
1997	575,000			2007	1,525,000		
1998	615,000						

(Plus Accrued Interest from December 1, 1987)

The Bonds are issued pursuant to authority contained in Sections 162.340 through 162.380 of the Kentucky Revised Statutes and in accordance with the Basic Resolution adopted by the University's Board of Regents on April 28, 1961, and the Series G Resolution adopted by the Board of Regents on November 16, 1987.

The Bonds are issued and secured on parity with the Series A through Series F Bonds previously issued and outstanding under the Basic Resolution. The Series A through Series G Bonds, and any bonds issued on a parity therewith in the future, are payable solely from certain defined revenues of the Project including student registration fees collected from students attending the University. As further security for the Bonds, a statutory mortgage lien upon the Project is created and granted by Sections 162.200 and 162.350 of the Kentucky Revised Statutes.

The Bonds constitute special limited obligations of Murray State University and do not constitute a debt, liability or obligation of the Commonwealth of Kentucky nor a pledge of the faith and credit of the Commonwealth. Principal of, premium, if any, and interest on the Bonds are payable solely from the revenues of the Consolidated Educational Buildings Project described herein.

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excluded from gross income for Federal income tax purposes, and the Bonds are exempt from ad valorem taxation and the interest thereon is exempt from income taxation by the Commonwealth of Kentucky and all of its political subdivisions and taxing authorities. See "Tax Treatment" herein.

The Series G Bonds are issued subject to the approval of legality by Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel to the University.

No dealer, broker, salesman or other person has been authorized by Murray State University or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from Murray State University and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Murray State University since the date hereof.

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OFFICIAL STATEMENT

\$14,785,000
MURRAY STATE UNIVERSITY
CONSOLIDATED EDUCATIONAL BUILDINGS
REVENUE BONDS
SERIES G

This Official Statement, which includes the cover page and the exhibit appended hereto, is being distributed by Murray State University (the "University") to furnish pertinent information relating to its Consolidated Educational Buildings Revenue Bonds, Series G (the "Bonds") being offered hereby.

The summaries and references to Sections of the Kentucky Revised Statutes, the Basic Resolution, and the Series G Resolution, as included in this Official Statement, do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such document.

MURRAY STATE UNIVERSITY

Murray State University (the "University"), located in Murray, Calloway County, Kentucky, was established in 1922 by act of the General Assembly of Kentucky. Originally designated the Murray State Normal School, the title of the University has been changed four times in its sixty-five year history. The most recent name change occurred in 1966 when the General Assembly of Kentucky established its present name, Murray State University.

The governing body of the University is the Board of Regents consisting of eight members appointed by the Governor of Kentucky, one faculty member and one student member. Pursuant to Section 164.350 of the Kentucky Revised Statutes, the Board is a body corporate with the powers usually vested in corporations and, as such, subject to the statutes of the Commonwealth, has control and management of the University, together with the properties and funds thereof.

Murray State University is a comprehensive institution comprised of six schools: the School of Applied Sciences and Technology; Arts and Sciences; Business; Education; Fine Arts and the Graduate School. Pre-professional curricula are provided in medicine, dentistry, forestry, veterinary medicine, optometry, engineering, medical technology, theology, pharmacy and law. Additionally, the University offers extension, correspondence and evening classes for the continuing education of its geographic population. The University confers three Associates, ten Bachelors, seven Masters and two Specialists Degrees. They are: Associate of Arts, Associate of Sciences and Associate of Science in Vocational-Technical Education; Bachelor of Arts, Bachelor of Fine Arts, Bachelor of Music, Bachelor of Music Education, Bachelor of Science, Bachelor of Science in Agriculture, Bachelor

of Science in Business, Bachelor of Science in Home Economics, Bachelor of Science in Vocational-Technical Education and Bachelor of Science in Nursing; Master of Arts in Education, Master of Business Administration, Master of Music Education, Master of Arts in College Teaching, Master of Arts in Teaching, Master of Science and Master of Arts; Specialist in College Teaching and Specialist in Education.

The academic year of the University is divided into two semesters of approximately eighteen weeks each and a summer session of eight weeks.

CONSOLIDATED EDUCATIONAL BUILDINGS PROJECT

For the purpose of securing bonds to be issued to finance erection of needed academic facilities and to provide for the continuing expansion of its physical plant, the Board of Regents by Resolution dated April 28, 1961 (the "Basic Resolution"), created its Consolidated Educational Buildings Project (the "Project"). The Project consists of all educational buildings and necessary appurtenances then existing and all such facilities thereafter erected on the property of the University in Calloway County, Kentucky, whether constructed from the funds of the University or from bond proceeds. Excluded from the Project are housing facilities and facilities used wholly or principally for athletics.

Land, buildings and appurtenances presently existing on the Calloway County, Kentucky, campus and constituting a part of the Consolidated Educational Building Project are valued at original cost in an amount in excess of \$81 million. This amount does not include the new industrial technology building to be constructed and equipped from the proceeds of the Series G Bonds.

In 1961, the University issued \$1,400,000 Consolidated Educational Buildings Revenue Bonds, Series A (Series A Bonds), to provide funds for the construction of a Classroom Building. The project financed by the Series A Bonds has been completed and is a part of the Project.

In 1963, the University issued \$2,360,000 Consolidated Educational Buildings Revenue Bonds, Series B (Series B Bonds), to provide funds for the construction of an Applied Sciences Building, a Nursery (child care) Building, a Maintenance Service Building, air conditioning system for the Auditorium and the reconstruction of the existing Maintenance Shop. The projects financed by the Series B Bonds have been completed and are a part of the Project.

In 1966, the University issued \$2,721,000 Consolidated Educational Buildings Revenue Bonds, Series C (Series C Bonds), and \$5,280,000 Series D (Series D Bonds) to provide funds for the erection of a Nursing Building, an Administration Building, a Marine Biological Station, a Broadcasting Center, and additions

to or reconstruction of the existing Library, Education Building, College High, Science Building, Heating Plant, and Farm Shop. The Series C Bonds were originally sold to the U. S. Department of Health, Education and Welfare. The projects financed by the Series C and D Bonds have been completed and are a part of the Project.

In 1971, the University issued \$2,733,000 Consolidated Educational Buildings Revenue Bonds, Series E (Series E Bonds), and \$12,500,000 Series F (Series F Bonds), for erection of a General Classroom Building; an Academic-Athletic Facility; Business Services Building; Pedestrian Access, lighting, landscaping, parking and other appurtenant facilities; and an addition to the Fine Arts Building. The Series E Bonds were originally sold to the U. S. Department of Health, Education and Welfare. The projects financed by the Series E and F Bonds have been completed and are a part of the Project.

In 1973, the University issued \$11,770,000 Consolidated Educational Buildings Refunding Revenue Bonds, Series F, for the purpose of refunding at a lower interest cost on May 1, 1981, all of the then outstanding Consolidated Educational Buildings Revenue Bonds, Series F, and to pay the redemption premium applicable thereto.

Proposed Additions To The Project

The 1986 General Assembly, upon a recommendation of the Kentucky Council on Higher Education, authorized the University to issue the Series G Bonds for the construction and equipping of a new industrial technology building and related improvements located on the campus of the University at Murray, Kentucky.

Construction and Related Costs:

Project Construction Contracts and related costs	\$13,000,000
Deposit to Debt Service Reserve	1,445,600
Costs of Bond Issuance	<u>339,400</u>

Total Project Costs	\$14,785,000
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DESCRIPTION OF THE BONDS

Authority

Pursuant to authority contained in Sections 162.340 through 162.380 of the Kentucky Revised Statutes and in accordance with the terms of the Basic Resolution adopted on April 28, 1961, the Board adopted the Series G Resolution authorizing the issuance of the Series G Bonds on November 16, 1987.

Terms

The Bonds will be dated December 1, 1987, and will bear interest payable semiannually on May 1 and November 1, beginning May 1, 1988. Principal of the Bonds will be payable each May 1, beginning May 1, 1989, until final maturity in 2007 subject to the redemption provisions set forth herein.

The Bonds are issued in fully registered form in denominations of \$5,000 or integral multiples thereof. Interest is payable by check or draft mailed by Citizens Fidelity Bank and Trust Company, Louisville, Kentucky, the Paying Agent and Registrar, to each bondholder of record as of the 15th day of the month preceding the due date. The Paying Agent will pay the principal or redemption price of the Bonds upon presentation of matured or called bond certificate(s) at the principal office of the Paying Agent in Louisville, Kentucky.

Any Bond is transferable upon presentation of such Bond and proper endorsement at the principal office of the Registrar in Louisville, Kentucky, without expense to the Bondholder.

Bonds maturing on and after May 1, 1999, are redeemable prior to maturity in accordance with the terms of the Basic Resolution, the Series G Resolution and as described on the cover page hereof.

Security

The Series G Bonds, together with the outstanding Series A through Series F Bonds and additional parity bonds from time to time issued and outstanding under the terms of the Basic Resolution and Series Resolutions, will be payable from and will constitute a paramount charge upon the Revenues to be derived by the University from the operation of its Consolidated Educational Buildings Project. The fee imposed upon and collected from all students attending the University at Murray, Kentucky, as an incident to registration at the beginning of each semester of the regular academic year and each summer session, for the services furnished by the Consolidated Educational Buildings Project, is designated as the primary source of Revenues of the Consolidated Educational Buildings Project. Such fees are known as Student Registration Fees (the "Registration Fees") and the Board of Regents covenants that the same will be fixed (and if necessary revised and increased from time to time) at such rates as may be required to pay the interest on and principal of the Bonds as they respectively mature, to provide reserves therefor and to pay the operating costs of the Project, including insurance, to the extent they are not otherwise provided. All collections of the Student Registration Fee are to be set aside, as received, into the Consolidated Educational Buildings Project Revenue Fund and are made subject to a paramount charge for the security and source of payment of the Consolidated Educational Buildings

Revenue Bonds.

As further security for the principal of and interest on the Bonds, there is created and granted by Sections 162.350 and 162.200 of the Kentucky Revised Statutes a statutory mortgage lien upon the Consolidated Educational Buildings Project.

DISPOSITION OF BOND PROCEEDS

Upon delivery of the Series G Bonds, a sum equal to the interest accrued on the Series G Bonds from December 1, 1987, to the date the Series G Bonds are delivered shall be deposited into the "Consolidated Educational Buildings Project Bond and Interest Sinking Fund" (the "Bond Fund" established by the Resolution) and shall be applied to the payment of the interest becoming due on the Series G Bonds on May 1, 1988.

Next, there shall be deposited into the Bond Fund, for the purpose of funding a debt service reserve therein, an amount which, together with other funds expected to be available during the current biennium for such purpose, is equal to the maximum Aggregate Principal, Interest and Bond Fund Charges in any future year. See "Application of Revenues -- Reserve Fund" under "CERTAIN PROVISIONS OF THE BASIC RESOLUTION".

Next, a portion of the Series G Bond proceeds will be deposited with the Trustee (identified under "CERTAIN PROVISIONS OF THE BASIC RESOLUTION") to pay costs of issuance of the Series G Bonds.

The balance of Bond proceeds shall be deposited in the State Treasury of the Commonwealth of Kentucky into an account designated "Murray State University Consolidated Educational Buildings Project - Series G Bond Proceeds Construction Account" (the "Construction Account").

The balance in the Construction Account shall be disbursed by the State Treasurer in accordance with inspection, audit and disbursement procedures as may from time to time be provided by law, for the purpose of paying the costs of the Project. Such disbursements for the Project shall be made only upon certification of the respective Engineers having supervision of the construction, as to each disbursement, that the amount thereof has been duly earned by and is payable to the designated party or parties for materials, services and/or labor furnished pursuant to a proper contract duly awarded therefor.

The Commonwealth and the Board may be reimbursed from the Construction Account for any proper expenditures previously made by them in connection with the Project.

Any balance remaining in the Construction Account after payment of all Project costs shall be deposited in the Bond Fund;

provided, however, that if proceedings are pending or imminently contemplated for the construction of one or more additional educational buildings constituting a part of the Consolidated Educational Buildings Project, any such unexpended balance may be taken into account and applied to the costs thereof.

CERTAIN PROVISIONS OF THE BASIC RESOLUTION

On April 28, 1961, the Board adopted the Basic Resolution which created the Consolidated Educational Buildings Project and authorized the issuance of the Consolidated Educational Buildings Revenue Bonds.

The following statements are intended to provide only brief summaries of selected pertinent provisions of the Resolution. For detailed and complete information, reference is hereby made to the Resolution, copies of which are on file with the University and with Citizens Fidelity Bank and Trust Company, Louisville, Kentucky, as Trustee (the "Trustee"). For purposes of this description, the Resolution and the Series A, B, C, D, E, F, F Refunding, and G Resolutions, collectively, and the Bonds issued thereunder, collectively, shall be referred to as the "Resolutions" and the "Bonds," respectively, and the Consolidated Educational Buildings Project shall be referred to as the "Project."

Application of Revenues

There is created a special fund known as the Consolidated Educational Buildings Project Revenue Fund (the "Revenue Fund") in the custody of the Treasurer of the Board of Regents, separate and apart from other funds of the University. Such Revenue Fund shall be maintained so long as any of the Bonds are outstanding as a trust fund in one or more banks which shall be members of the Federal Deposit Insurance Corporation and shall be expended and used by the Treasurer only in the manner specified in the Resolution. Upon the issuance and delivery of any Bonds pursuant to the Resolution, all Revenues held or collected by the Board and derived from the Consolidated Educational Buildings Project, or received by the Treasurer therefrom, shall be deposited as collected in the Revenue Fund to be held and administered by the Treasurer of the Board and shall be paid out and applied for the uses and purposes for which such moneys are pledged by the provisions of the Resolution.

1. Bond and Interest Sinking Fund: There is created in the Resolution a separate account known as the Consolidated Educational Buildings Project Bond and Interest Sinking Fund (the "Bond Fund") which is maintained by and in the custody of the Trustee so long as any Bonds are outstanding. The Bond Fund shall be used by the Trustee to pay interest on the Bonds as the same becomes due from time to time and to pay and retire the Bonds as they become due, or as otherwise provided in the

Resolution. From and after the issuance of any Bonds and thereafter commencing on May 1 of each year, the Treasurer shall transfer from the Revenue Fund and deposit to the credit of the Bond Fund all the Revenues as and when the same are received and deposited into the Revenue Fund, until there has been so deposited and paid into the Bond Fund an amount equal to the total interest and principal becoming due on or prior to the succeeding May 1 on all Bonds outstanding, plus such amount as may be provided in a pertinent Series Resolution to be deposited in the Bond Fund during such year to provide for the retirement of Bonds scheduled to mature on May 1 of any subsequent year.

2. Reserve Fund: For the purpose of creating and maintaining a reserve in the Bond Fund equal to the maximum Aggregate Principal, Interest and Bond Fund Charges, as such term is defined below, the amount to be set aside into the Bond Fund shall be 125% of the amounts otherwise provided in the Resolution to be paid into the Bond Fund until such reserve is so accumulated, and thereafter the same shall be resumed and continued whenever and so long as required to restore and maintain such reserve. "Aggregate Principal, Interest and Bond Fund Charges" means, as of any particular date of computation and with respect to a particular twelve month period, an amount of money equal to the aggregate of the amounts required by the provisions of the Resolutions to be paid into the Bond Fund in such twelve month period for account of the interest on all outstanding Bonds becoming due during such twelve-month period and to accomplish the retirement of the principal of all outstanding Bonds at or prior to the maturity thereof.

The amounts by which the above payments exceed the Aggregate Principal, Interest and Bond Fund Charges in any particular twelve-month period shall be held in the Bond Fund as a reserve. Moneys in the Bond Fund in excess of the Aggregate Principal, Interest and Bond Fund Charges and the prescribed reserve may be used to purchase or redeem Bonds in advance of maturity.

When all required payments into the Bond Fund have been made in any particular twelve month period ending May 1, any moneys remaining in the Revenue Fund may be used by the Board to pay the operating costs of the Project to the extent the same are not otherwise provided or may be used for the purchase or retirement of Bonds in advance of maturity or for any other lawful purpose.

Application of Bond Proceeds

There shall be maintained in the State Treasury of the Commonwealth of Kentucky an account designated Murray State University Consolidated Educational Buildings Project - Series G Bond Proceeds Construction Account (the "Construction Account"). Proceeds derived from time to time from the sale of Series of Bonds shall be deposited into a Construction Account for such Series. Any amounts received upon delivery of a Series of Bonds in payment of accrued interest thereon, or representing capital-

ized interest, if any, shall be deposited by the State Treasurer into the Bond Fund. Disbursements from the Construction Account shall be made solely for defraying the costs of erecting and completing buildings and appurtenances which will become parts of the Consolidated Educational Buildings Project and in accordance with inspection, audit and disbursement procedures provided by law. The aforesaid costs may include engineering, accounting, legal and fiscal expenses incurred or paid in connection with the issuance of the Series of Bonds and interest on the Bonds for a construction period not to exceed three years from the date of issuance of the Bonds.

Additional Bonds

The Board covenants and agrees that it will not create or permit the creation of or issue any bonds which will have a priority over the charge on the Revenues or the payments to be made into the Bond Fund.

Additional Bonds ranking on a parity with Bonds outstanding may be issued for the purpose of erecting and completing additional educational buildings and necessary appurtenances, provided:

1. that at the time of the issuance of the additional Bonds there is no deficiency in the amounts required to be paid into the Bond Fund, and

2. that the average of the annual Revenues from the Project for the two fiscal years immediately preceding the issuance of the additional Bonds, as indicated in a statement by the Treasurer of the Board to be filed with the Trustee, was equal to not less than 1.25 times the maximum Aggregate Principal, Interest and Bond Fund Charges in any succeeding twelve month period ending May 1 on the Bonds then outstanding and the additional Bonds proposed to be issued. For the purpose of computing average annual Revenues, the Treasurer shall make an adjustment in the amount of annual Revenues to reflect any increase or decrease in the Student Registration Fees which at the time are being imposed for the services of the Project.

The issuance of such additional Bonds shall be pursuant to the terms of a Series Resolution adopted by the Board in accordance with the provisions of the Basic Resolution.

Additional Bonds ranking on a parity with Bonds previously issued may also be issued for the purpose of refunding all or any part of the Bonds as may be outstanding.

Default and Remedies

The Resolution declares certain events to be "events of default". These events include failure to pay principal when the same shall become due; or failure to pay any installment of in-

terest when same shall become due or within 30 days thereafter; the Board's being rendered incapable of fulfilling its obligations under the Resolution; any buildings representing a part of the Project being destroyed or damaged and not being repaired, replaced or reconstructed or substitute facilities not being afforded, and insurance proceeds not being deposited in the Bond Fund; any order or decree being entered with the consent or the acquiescence of the Board appointing a receiver of all or part of the Project or Revenues therefrom, or, if such order or decree, having been entered without the consent or acquiescence of the Board, shall not have been vacated or discharged or stayed on appeal within 60 days after entry; any default by the Board for 30 days continuing after written notice by the Trustee (who is required to give such notice at the written request of the holders of 15% in principal amount of the outstanding Bonds) in the due and punctual performance of any covenant, condition, agreement or provision in the Resolutions or in the Bonds.

Upon the happening and continuance of any such event of default, then and in every such case the Trustee may, and upon the written request of the holders of not less than twenty five percent (25%) in principal amount of the Bonds then outstanding shall, by a notice in writing to the Board, declare the principal of all the Bonds then outstanding to be due and payable immediately and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in the Resolutions to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Basic Resolution, moneys shall have accumulated in the Bond Fund sufficient to pay all arrears of interest, if any, upon all the Bonds then outstanding (except the interest accrued on such Bonds since the last interest payment date), and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the Board under the Basic Resolution shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Bonds or in the Resolutions (other than a default in the payment of the principal of such Bonds then due only because of a declaration that the principal of all the Bonds then outstanding shall be due and payable immediately) shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the holders of not less than twenty five percent (25%) in principal amount of the Bonds then outstanding shall, by written notice to the Board, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Upon the happening and continuance of any such event of default, then and in every such case the Trustee may proceed, and upon the written request of holders of not less than fifteen percent (15%) in principal amount of the Bonds then outstanding under the Basic Resolution shall proceed to protect and enforce its rights and the rights of the Bond holders under the laws of the Commonwealth of Kentucky or under the Resolutions by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained in the Basic Resolution or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Basic Resolution the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Board for principal, interest or otherwise under any of the provisions of the Resolutions or of the Bonds and unpaid together with any and all costs and expenses of collection and of all proceedings under the Basic Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Board, but solely as provided in the Basic Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (solely from moneys in the Bond Fund and the Revenues of the Project pledged to the payment of the Bonds by the Basic Resolution) in any manner provided by law, the moneys adjudged or decreed to be payable.

Anything in the Basic Resolution to the contrary notwithstanding, the holders of a majority in principal amount of the outstanding Bonds shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee thereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Basic Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

No holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for any remedy afforded by the Basic Resolution unless such holder shall have previously given to the Trustee written notice of an event of default as in the Basic Resolution provided, nor unless also the holders of 25% in principal amount of the outstanding Bonds shall have made written request to the Trustee and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Basic Resolution or to institute such action, suit or proceedings in its or their name, nor unless also there shall have been offered to the

Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, it being understood and intended that no one or more holders of Bonds shall have any right in any manner whatever by his or their action to enforce any right under the Basic Resolution except in the manner provided in the Basic Resolution.

Other Covenants

The Board covenants and agrees that, among other things:

1. it will establish, maintain and collect, as long as any Bonds are outstanding, such Student Registration Fees for the services of the Project as may be necessary (a) to pay the interest on and principal of the Bonds as they respectively mature, to provide reserves therefor and (b) to pay the operating costs of the Project to the extent they are not otherwise provided. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in Revenues, the Board further covenants and agrees to establish, maintain and collect such Student Registration Fees for the services of the Project as will produce Revenues in each twelve month period ending May 1 equal to at least 110% of the current Aggregate Principal, Interest and Bond Fund Charges;

2. while any of the Bonds are outstanding, it will, except as hereinbefore set forth under "Application of Revenues," pay the current operating costs of the Project from available funds other than the Revenues derived from the Project;

3. it will procure and maintain, to the extent available, fire and extended coverage insurance on the Project in amounts sufficient to provide for not less than full recovery whenever the loss from causes covered by such insurance does not exceed 80% of the full insurable value of the Project. All insurance moneys (except property insurance proceeds in the case of one loss in amounts of less than Ten Thousand Dollars (\$10,000), which shall be paid over to the Board) received by the Trustee shall be held by the Trustee as substituted security and paid out for the purpose of paying the reasonable costs of repairing or replacing part or all of the property damaged or destroyed or the reasonable costs of substitute facilities; provided, however, that the Board shall have furnished, in addition to the proceeds of such insurance, such moneys as may be required to complete such repairs, replacements or substitute facilities and said insurance moneys shall be paid out by the Trustee only when the same shall be fully sufficient to complete such repairs, replacements or substitute facilities as shown by a certificate of an architect or engineer. If insurance proceeds shall remain after the completion of the repairs, replacements or substitute facilities, or in the event of a failure to repair or replace the property damaged or destroyed, or to construct substitute facilities, then the Trustee shall deposit such moneys in the Bond Fund and such moneys shall be applied to the retirement of

Bonds;

4. unless provision is otherwise made by law for disposition by the Commonwealth of Kentucky of claims made against the University for bodily injury and/or death which may arise from the operations of the Board, including any use or occupancy of its grounds, structures and vehicles, it will, if such insurance is not already in force, procure and maintain public liability insurance with limits of not less than \$50,000 per person \$100,000 per accident to protect the Board from claims for bodily injury and/or death which may arise from the operations of the Board, including any use or occupancy of its grounds, structures and vehicles;

5. it will keep accurate financial records and proper books relating to the Project; such records and books shall be open to inspection by the bondholders and their agents and representatives; and not later than 90 days after the close of each fiscal year it will furnish to the Trustee, and to any Bondholder who shall request the same in writing, copies of audit reports, prepared by an independent certified public accountant or a firm of such accountants who shall be satisfactory to the Trustee, or prepared by an appropriate State auditing official, reflecting in reasonable detail the financial condition and record of operation of the University, the Project, and the pledged Revenues during the preceding fiscal year (July 1/June 30);

6. it will at all times maintain, preserve and keep the Project and every part thereof in good condition, repair and working order; and will from time to time make all needful and proper repairs, replacements, additions, betterments and improvements so that the operations and business of the Project shall at all times be conducted efficiently, properly and advantageously;

7. whenever any portion of the Project shall have been worn out or destroyed or shall have become obsolete, inefficient or otherwise unfit for use, the Board will procure and install substitutes of at least equal value, utility and efficiency, so that the value and efficiency of the Project will at all times be fully maintained. The Board will set apart, use and apply for the foregoing purposes so much of the Revenues of the Project as may be required, subject to the payments described above under "Application of Revenues;" and

8. it will faithfully observe and perform all of the conditions, covenants and requirements provided for by the Resolutions.

GENERAL OPERATIONS OF THE UNIVERSITY

Enrollment

The following schedule indicates the fall semester full-time equivalent enrollment for each of the years 1982 through 1987:

<u>Fall Year</u>	<u>Semester Full-Time Equivalent Enrollment</u>
1982	6,331
1983	6,271
1984	6,160
1985	5,957
1986	5,660
1987	5,673

In reviewing enrollment projections, consideration has been given to planning for adequate academic and housing accommodations for future enrollments. The programs will be developed so that academic and housing facilities will not be limiting factors on the enrollment growth projected. The enrollment projection for the University is set forth in the following tabulations:

<u>Fall Year</u>	<u>Estimated Fall Full Time Equivalent Enrollment</u>
1988	5,700
1989	5,750
1990	5,800
1991	5,800
1992	5,800
1993	5,800

Approximately 23% of the students enrolled in the University are non-residents of Kentucky, and it is anticipated that the percentage of non-resident enrollments will remain constant.

Student Registration Fees

The Board of Regents, with the approval of the Kentucky Council on Higher Education, has established a schedule of Student Registration Fees to be imposed, charged and collected for the services of the Project from all students attending the University. The schedule of fees effective with the fall term of 1987, together with the previous schedule of fees are as follows:

	<u>1986-87</u>	<u>1987-88</u>
Semester Registration Fee		
Undergraduate		
Resident Students	\$ 500	\$ 540
Nonresident Students	1,440	1,540
Graduate		
Resident	550	590
Non-Resident	1,590	1,690
Per Credit Hour Registration Fee		
Undergraduate		
Resident	42	45
Non-Resident	120	128
Graduate		
Resident	61	68
Non-Resident	177	187

Summary of Revenues of the Project

The proceeds received by the University from the imposition and collection of the Student Registration Fee for each of the years 1981-82 through 1986-87 are shown in the tabulation set forth below. The tabulation does not include the proceeds derived from a variety of miscellaneous fees charged and collected from each student attending the University which are not pledged as Revenues of the Project or to the security of the Bonds.

<u>Fiscal Year</u>	<u>*Total of Registration Fees Collected</u>
1981-82	\$ 6,194,198
1982-83	7,935,164
1983-84	8,642,204
1984-85	9,580,269
1985-86	10,140,201
1986-87	10,092,000

Estimated Future Revenues of the Project

On the basis of the Student Registration Fees effective with the fall term of 1987 and thereafter (subject to the approval of the Kentucky Council on Higher Education), it is estimated that the revenues of the Project for each of the academic years 1987-88 through 1992-93 will be as set forth in the tabulation below. The numbers are based on the schedule of fees which have been approved effective with the fall term of 1987.

<u>Fiscal Year</u>	<u>*Estimated Total of Registration Fees Collected</u>
1985-86 (Adjusted)	\$10,951,400
1986-87 (Adjusted)	10,092,000 10,414,900
1987-88	10,545,900
1988-89	10,799,800
1989-90	11,177,800
1990-91	11,468,400
1991-92	11,752,000
1992-93	12,034,000

*Consolidated Educational Buildings Revenue Bonds are payable from and constitute a paramount charge upon the amounts shown in this column.

Financial Statements

Attached as Exhibit A are audited financial statements of the University, as of, and for the 12-month period ending June 30, 1986, with comparative figures at June 30, 1985. The amounts shown have been furnished by the Treasurer of the University.

The audited financial statements of the University, as of, and for the 12-month period ending June 30, 1987, with comparative figures at June 30, 1986, are not yet available. This is a default under the Basic Resolution inasmuch as the Board of Regents has covenanted therein to furnish such statements to the Trustee, and to any Bondholder who shall request the same in writing, not later than 90 days after the close of the fiscal year (June 30, 1987). See "CERTAIN PROVISIONS OF THE BASIC RESOLUTION -- Other Covenants." However, the Board represents that such statements will be forthcoming shortly, (within 30 days from the date hereof) in order to remedy the default.

Schedule of Outstanding Bonds

The University has heretofore issued its Housing and Dining System Revenue Bonds to finance certain additions to the physical plant of the University, but said revenue bonds are not payable from nor secured by the revenues of the Project pledged to the payment of Consolidated Educational Buildings Revenue Bonds.

A schedule of the University's outstanding Revenue Bonds is shown on pages 49 through 52 of Exhibit A, the financial statements.

ESTIMATED COVERAGE OF DEBT SERVICE REQUIREMENTS

Estimated Maximum Annual Debt Service, Series A through G (1998)	\$ 3,264,824
1985-86 Project Revenues (Actual)	10,140,201
Times Maximum Annual Debt Service Covered	3.11x
1985-86 Project Revenues (Adjusted)	10,951,400
Times Maximum Annual Debt Service Covered	3.35x
1986-87 Project Revenues (Actual)	10,092,000
Times Maximum Annual Debt Service Covered	3.09x
1986-87 Project Revenues (Adjusted)	10,414,900
Times Maximum Annual Debt Service Covered	3.19x
1987-88 Estimated Project Revenues.	10,545,900
Times Maximum Annual Debt Service Covered	3.23x
1988-89 Estimated Project Revenues.	10,799,800
Times Maximum Annual Debt Service Covered	3.31x
Calculation for Parity Bonds*	
Average of 1985-86 and 1986-87 Adjusted Project Revenues	10,521,700
Times Maximum Annual Debt Service Covered	3.22x

* Certified by Treasurer of the University. Coverage of 1.25x is required by the Basic Resolution before issuance of parity bonds.

The operations of the University in recent years have been supported in part by funds appropriated to the University by the Kentucky General Assembly (the "General Assembly"). The amount of funds so appropriated has been based in part on the debt service on the University's outstanding bonds. Some of these funds have been used to replace the portion of the Student Registration Fees and other revenues actually deposited in the revenue fund established under the Basic Resolution and applied to the payment of debt service on such bonds. The Board presently intends, but is not obligated, to continue to seek to have funds appropriated by the General Assembly to partially support the operations of the University. THE GENERAL ASSEMBLY IS UNDER NO OBLIGATION TO MAKE APPROPRIATIONS FOR PAYMENTS ON THE BONDS. IN ADDITION, THERE CAN BE NO ASSURANCE THAT IN THE PERFORMANCE OF HIS OR HER OBLIGATION TO BALANCE THE STATE BUDGET ANNUALLY, THE GOVERNOR WILL NOT REDUCE OR ELIMINATE ANY APPROPRIATIONS WHICH ARE MADE. THE BONDS ARE SECURED BY AND PAYABLE SOLELY FROM THE REVENUES, AND NOT SUCH APPROPRIATIONS.

BOND FUND RESERVE

The Resolution requires the creation (within four years following the issuance of a Series of Bonds) and maintenance of a reserve (the "Bond Fund Reserve") in the Bond Fund in an amount equal to the maximum aggregate principal, interest and bond fund charges in any future twelve-month period. The Trustee reports that on June 30, 1987, there was on deposit in the Bond Fund Reserve a total of \$1,812,711, which satisfied the Bond Fund Reserve requirement prior to the issuance of the Series G Bonds. A deposit will be made into the Bond Fund Reserve from the proceeds of the Series G Bonds which, together with other payments expected to be made by the University from other available funds, is expected to provide by June 30, 1988, the estimated Bond Fund Reserve requirement of \$3,264,824 resulting from the issuance of the Series G Bonds.

ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

Date	Existing	Series G Bonds		Total
	Debt Service Series A - F	Principal	Fiscal Year Debt Service Interest	Series A - G
11/01/87	\$ 404,315.63			
05/01/88	1,364,315.63		\$473,351.04	\$ 473,351.04
11/01/88	382,607.50		568,021.25	\$2,241,982.29
05/01/89	1,387,607.50	\$ 355,000	568,021.25	1,491,042.50
11/01/89	359,801.25		557,371.25	3,261,257.50
05/01/90	1,414,801.25	375,000	557,371.25	1,489,742.50
11/01/90	335,716.88		545,746.25	
05/01/91	1,435,716.88	400,000	545,746.25	1,491,492.50
11/01/91	310,588.75		532,946.25	3,262,926.25
05/01/92	1,465,588.75	420,000	532,946.25	1,485,892.50
11/01/92	284,104.38		519,086.25	3,262,070.00
05/01/93	1,494,104.38	445,000	519,086.25	1,483,172.50
11/01/93	256,301.25		503,956.25	
05/01/94	1,526,301.25	470,000	503,956.25	1,477,912.50
11/01/94	226,941.88		487,741.25	3,260,515.00
05/01/95	1,551,941.88	510,000	487,741.25	1,485,482.50
11/01/95	192,045.00		469,891.25	3,264,366.25
05/01/96	1,587,045.00	545,000	469,891.25	1,484,782.50
11/01/96	155,235.63		450,407.50	
05/01/97	1,630,235.63	575,000	450,407.50	1,475,815.00
11/01/97	113,991.88		429,420.00	3,261,286.25
05/01/98	1,676,991.88	615,000	429,420.00	1,473,840.00
11/01/98	70,206.25		406,511.25	3,264,823.75
05/01/99	1,725,206.25	655,000	406,511.25	1,468,022.50
11/01/99	21,590.63		381,621.25	
05/01/00	756,590.63	895,000	381,621.25	1,658,242.50
11/01/00	0.00		346,940.00	2,436,423.75
05/01/01	0.00	955,000	346,940.00	1,648,880.00
11/01/01	0.00		309,217.50	1,648,880.00
05/01/02	0.00	1,030,000	309,217.50	1,648,435.00
11/01/02	0.00		268,017.50	
05/01/03	0.00	1,110,000	268,017.50	1,646,035.00
11/01/03	0.00		223,062.50	1,646,035.00
05/01/04	0.00	1,200,000	223,062.50	1,646,125.00
11/01/04	0.00		174,162.50	1,646,125.00
05/01/05	0.00	1,300,000	174,162.50	1,648,325.00
11/01/05	0.00		120,862.50	
05/01/06	0.00	1,405,000	120,862.50	1,646,725.00
11/01/06	0.00		62,906.25	1,646,725.00
05/01/07	0.00	1,525,000	62,906.25	1,650,812.50

TAX TREATMENT

In the opinion of Bond Counsel, interest on the Series G Bonds is excluded from gross income for Federal income tax purposes under the Internal Revenue Code of 1986 (the "Code") as presently enacted and construed.

The Series G Bonds are not "specified private activity bonds" under Section 57(a)(5) of the Code and therefore the interest thereon is not an item of tax preference in determining "alternative minimum taxable income" under the Code. However, interest on the Series G Bonds, as well as all other interest excluded from gross income under the Code ("tax-exempt interest"), is included in computing "adjusted net book income" for purposes of determining the alternative minimum taxable income of a corporation in taxable years beginning in 1987 through 1989 and is included in computing "adjusted current earnings" for purposes of determining the alternative minimum taxable income of a corporation in taxable years beginning after 1989.

The Code disallows as a deduction 100% of the interest expense incurred by commercial banks, thrift institutions, and other financial institutions in taxable years beginning after December 31, 1986, to the extent such interest expense is allocable to tax-exempt obligations acquired after August 7, 1986, including the Series G Bonds. Bond Counsel is of the opinion that the Series G Bonds will not qualify for an exception to the 100% disallowance rule described above.

For purposes of determining their taxable income under the Code, property and casualty insurance companies must reduce their losses incurred in taxable years beginning after December 31, 1986, by an amount equal to 15% of the tax-exempt interest they receive or accrue during such taxable years on obligations acquired after August 7, 1986, including interest on the Series G Bonds.

Recipients of Social Security benefits must include tax-exempt interest income, including interest on the Series G Bonds, in computing their "modified adjusted gross income" for purposes of determining to what extent, if any, such benefits are includable in their gross income.

Purchasers of the Series G Bonds should consult their tax advisors for a further description of the Federal income tax rules mentioned above and for an analysis of the effect on their individual tax situations of their ownership of the Series G Bonds and their receipt of interest on the Series G Bonds.

In the opinion of Bond Counsel, under the laws of the Commonwealth as presently enacted and construed, the Series G Bonds are exempt from ad valorem taxation, and the interest thereon is exempt from income taxation, by the Commonwealth and all of its political subdivisions and taxing authorities.

ABSENCE OF MATERIAL LITIGATION

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Series G Bonds, or in any way contesting or affecting the validity of the Series G Bonds or any proceedings of the University taken with respect to the issuance or sale thereof, or the pledge or application of any monies or security provided for the payment of the Series G Bonds or the due existence or powers of the University.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance, sale and delivery of the Series G Bonds are subject to the approval of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel to the University. The unqualified approving legal opinion of Bond Counsel will be printed on the Series G Bonds. Bond Counsel has reviewed the information herein-pertaining to the Bonds under the headings "Description of Bonds," "Disposition of Bond Proceeds," "Certain Provisions of the Basic Resolution," and "Tax Treatment" and is of the opinion that such information is a fair summary of the principal provisions of the instruments and information therein described. Said firm has not otherwise participated in the preparation of the Official Statement or the exhibit attached hereto and has not verified the accuracy or completeness of the information contained under any heading other than those stated above, nor of any financial information, student enrollment figures, projections, or computations relating thereto. The matters set forth under "Absence of Material Litigation" will be contained in a "No-Litigation Certificate" which will be delivered by the University with the Series G Bonds.

FINANCIAL ADVISOR

The Series G Bonds will be sold by the solicitation and receipt of sealed, competitive bids. First Kentucky Securities Corporation, Frankfort, Kentucky, Financial Advisor to the University, has requested, and received, permission and approval of the Board of Regents of the University to bid, either alone or in conjunction with others, on the Series G Bonds. The Financial Advisor has expressed its intent to so bid.

APPROVAL OF ISSUANCE OF BONDS

Pursuant to Chapter 42 of the Kentucky Revised Statutes, issuance of the Series G Bonds will have been approved by the Kentucky Finance and Administration Cabinet, Office for Investment and Debt Management.

RATING

Moody's Investors Service has given the Bonds the rating set forth on the cover page of this Official Statement. Such rating reflects only the opinion of such organization. There can be no assurance that such rating will be maintained for any given period of time or that it will not be revised or withdrawn entirely. Any downward revision or withdrawal of such rating may have a material adverse effect on the market price of the Bonds.

* * * * *

All quotations from, and summaries and explanations of, the Kentucky Revised Statutes, the Basic Resolution and the Series Resolutions contained herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Copies, in reasonable quantity, of the Basic Resolution and the Series G Resolution may be obtained from First Kentucky Securities Corporation, P. O. Box 554, Frankfort, Kentucky 40602-0554.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the University and the purchaser or holders of any of the Bonds.

MURRAY STATE UNIVERSITY

Chairman
Board of Regents

ATTEST:

Secretary

OFFICIAL BID FORM

[Date of Sale]

To the Honorable Chairman
and Members of the Board of Regents
of Murray State University
c/o Dr. Robert R. Ramsey, Jr., Treasurer
Office of the Vice President for
Finance and Administrative Services
Room 322A, Sparks Hall
Murray State University
Murray, Kentucky 42071

Gentlemen:

Pursuant to your "Official Terms and Conditions of Bond Sale," the undersigned offers to purchase all, but not less than all, of your "Murray State University Consolidated Educational Buildings Revenue Bonds, Series G," dated _____ in accordance with and subject to the terms set forth in the Official Terms and Conditions of Bond Sale.

We hereby bid for said \$ _____ aggregate principal amount of Bonds the sum of \$ _____ (not less than \$ _____); plus accrued interest from _____ at the following rates (interest on ascending scale in multiples of 1/20 or _____ of 1%; rate differential not to exceed _____ %):

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
_____	\$ _____	_____ %	_____	\$ _____	_____ %
_____	\$ _____	_____ %	_____	\$ _____	_____ %
_____	\$ _____	_____ %	_____	\$ _____	_____ %
_____	\$ _____	_____ %	_____	\$ _____	_____ %
_____	\$ _____	_____ %	_____	\$ _____	_____ %
_____	\$ _____	_____ %	_____	\$ _____	_____ %
_____	\$ _____	_____ %	_____	\$ _____	_____ %
_____	\$ _____	_____ %	_____	\$ _____	_____ %
_____	\$ _____	_____ %	_____	\$ _____	_____ %
_____	\$ _____	_____ %	_____	\$ _____	_____ %

It is understood that the Bonds are offered for sale subject to the interest on the Bonds not being includable in gross income for present Federal income tax purposes (as described under "Tax Treatment" in the Preliminary Official Statement for the Bonds), and the Bonds and the interest thereon being exempt from Kentucky ad valorem and income taxation on the date of the delivery of the Bonds to the successful bidder. It is also understood that the Board of Regents of Murray State University will furnish a final approving legal opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel, subject to whose approving legal opinion the Bonds are sold, and will furnish printed bond forms and the usual closing proofs, including the customary no-litigation certificate, to the successful bidder.

The successful bidder shall not be required to take up and pay for the Bonds unless delivery is made within forty-five days from the date hereof. Upon delivery the successful bidder shall take up and pay for the Bonds in FEDERAL FUNDS. It is anticipated that the Bonds will be tendered for delivery on or prior to _____.

A certified check or bank cashier's check in the amount of \$_____ payable to Murray State University is enclosed in accordance with the Official Terms and Conditions of Bond Sale.

Respectfully submitted,

Authorized Signature

Name of Bidder

Address

The foregoing is our purchase bid. We submit our own computation thereof only for your information and convenience:

- | | | |
|-----|---|----------|
| (a) | Total interest cost at stated interest rates from _____ to final maturity | \$ _____ |
| (b) | Interest Cost | _____ |
| (c) | Equivalent to | _____ % |

Accepted this _____ day of _____, for the purchase
price of \$ _____, plus accrued interest from _____.

BOARD OF REGENTS
MURRAY STATE UNIVERSITY
MURRAY, KENTUCKY

By _____
Chairman

ATTEST:

Secretary, Board of Regents

Return of or credit for Bid
deposit hereby acknowledged:

Authorized Representative

OFFICIAL TERMS AND CONDITIONS OF BOND SALE
MURRAY STATE UNIVERSITY
Murray, Kentucky

\$ _____ Murray State University
Consolidated Educational
Buildings Revenue Bonds, Series G

The Board of Regents of Murray State University (the "Board"), a public body corporate, educational agency and instrumentality, and a political subdivision of the Commonwealth of Kentucky, hereby gives notice that until _____, at the hour of _____ .m., C. ____ .T., the Board will receive in the Office of the Vice President for Finance and Administrative Services, Room 322A, Sparks Hall, Murray State University Campus at Murray, Kentucky 42071, sealed competitive bids for the purchase of its \$ _____ Murray State University Consolidated Educational Buildings Revenue Bonds, Series G (the "Bonds"), dated _____. Proposals for the purchase of the Bonds will be considered by the Board, or its Bond Sale Committee, at a meeting at _____ .m., C. ____ .T., on _____.

The Bonds are to be issued in the form of fully registered bonds in the denomination of \$5,000 or integral multiples thereof. The Bonds bear interest from their date payable on May 1, 1988 and semiannually thereafter by check or draft mailed to registered holders as of the 15th day of the month preceding each interest payment date. The Bonds mature as to principal on May 1 in each of the years _____ through _____ as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
_____	\$ _____	_____	\$ - _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

SERIES G RESOLUTION
EXHIBIT D

The Bonds are subject to redemption prior to their stated maturities on or after _____ at the premiums set forth below:

<u>If Redeemed:</u>	<u>Redemption Price</u>
On or after _____ and prior to _____	_____ %
On or after _____, and prior to _____	_____ %
On or after _____, and prior to final maturity	_____ %

The Bonds are issued for the purpose of providing funds to finance an educational building and related improvements located in Calloway County, Kentucky. The Bonds are being issued pursuant to the provisions of Sections 162.340 et seq. of the Kentucky Revised Statutes and the Resolution adopted by the Board on April 28, 1961 (the "Basic Resolution"), as amended by the Series G Resolution adopted by the Board on November 17, 1987. The Bonds are secured [i] pursuant to the terms of the Basic Resolution whereunder Citizens Fidelity Bank and Trust Company, Louisville, Kentucky, is named Trustee for the holders of all Bonds issued under the Basic Resolution and [ii] by a pledge of the revenues derived from the operation of the Consolidated Educational Buildings Project. In addition, the Bonds are secured by a statutory mortgage lien upon the buildings and appurtenances constituting the Consolidated Educational Buildings Project. The Bonds will rank on the basis of parity as to security and source of payment with five (5) previous issues, Series B, C, D, E, and F Refunding now outstanding, and any subsequent issues under the Basic Resolution.

The Bonds are not general obligations of the Board, the University, or the Commonwealth of Kentucky, but are special obligations payable solely from the defined Revenues of the Consolidated Educational Buildings Project to which the Revenues derived from all Student Registration Fees of the University are pledged and made subject to a first lien and paramount charge for the security and source of payment of Murray State University Consolidated Educational Buildings Revenue Bonds.

The purchasers of the Bonds will be furnished at delivery, at the cost of the Board, the unqualified approving opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel, which will contain a statement that in Bond Counsel's opinion interest on the Bonds will be exempt from inclusion in gross income for present federal income tax purposes (see "Tax Treatment" in the Preliminary Official Statement for the Bonds) and that the Bonds and interest thereon are exempt from all Kentucky ad valorem and income taxation, based upon existing statutes, regulations and judicial decisions.

The Board expressly reserves the right to reject all bids and to waive informalities and irregularities which in the judgment of the Board do not impair the integrity of the bidding process. Delivery is guaranteed within forty-five days after awards are made and it is now anticipated that delivery will be made on or prior to _____. The Board will tender the Bonds to the purchasers thereof, at any bank or trust company in Louisville or Lexington, Kentucky, at the Board's expense, or at any bank or trust company anywhere else in the continental United States (exclusive of Alaska) desired by the purchaser at the purchaser's expense (including the cost of insurance during transit); provided, however, that the purchaser shall bear any bank service charge for processing the delivery of the Bonds and closing the transaction. Payment for the Bonds must be made in FEDERAL FUNDS.

BIDDING CONDITIONS: The Bonds shall be offered as a whole, at not less than 98% of par (not less than \$_____), plus accrued interest. Interest rates shall be on an ascending scale, with the difference between the highest and lowest rates not to exceed ____%. Interest rates must be in multiples of 1/20 or _____ of 1%. A good faith certified or bank cashier's check in the amount of \$_____ (_____% of par) is required. The good faith check of the successful bidder will be immediately deposited by the Board, and the amount thereof, without interest thereon shall be a credit against the purchase price for the Bonds. Only bids submitted on the Official Bid Form shall be given favorable consideration. CUSIP identification numbers shall be printed on the Bonds at the expense of the Board. Neither the improper imprintation nor the failure to imprint CUSIP numbers shall constitute a cause for failure or refusal by the purchaser to accept delivery and pay for the Bonds.

The purchasers of the Bonds must supply the name(s) and tax identification number(s) of the registered holder(s) of the Bonds to be delivered, and the denomination of each such Bond, not later than seven (7) days prior to the date of delivery, by written direction to the Registrar and Paying Agent for the Bonds, Citizens Fidelity Bank and Trust Company, Louisville, Kentucky.

Details regarding the Bonds, the Official Bid Form and financial and other pertinent information concerning the University and the Consolidated Educational Buildings Project are contained in the "Official Statement" which may be obtained by addressing Dr. Robert R. Ramsey, Jr., Office of the Vice President for Finance and Administrative Services, Room 322A, Sparks Hall, Murray State University Campus, Murray, Kentucky 42071, or the Financial Advisor, First Kentucky Securities Corporation, Suite 324, State National Bank Building, P.O. Box 554, Frankfort, Kentucky 40602-0554.

BY ORDER OF THE BOARD:

_____, Treasurer,
Board of Regents, Murray State
University

RESOLUTION AND ORDER

WHEREAS, there is a certain building known as the Security and Information Building (Building # 48), which contains 3,360 square feet and is located on Chestnut Street north of Reagan Field; and


WHEREAS, said building occupies land that has special significance for academic purposes in relation to the continuing development of Murray State University as has previously been approved by this Board of Regents in the Campus Development Plan Update of 1986; and

WHEREAS, the administration of Murray State University has made written request that the Board of Regents enter its order authorizing the disposition of the above mentioned property; and

WHEREAS, said building should, in the judgment of this Board of Regents, pursuant to its duties and functions set out in KRS Chapter 164A.575(7) be razed so the land can be used in conjunction with the construction of the new Industry and Technology Building as part of Murray State University.

NOW THEREFORE, it is hereby determined that said building be razed to make the land available for site development as indicated above, and the Secretary of the Finance and Administration Cabinet is requested to take the necessary action to authorize razing of said building.

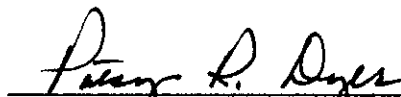
THIS, the 17th day of November 1987.


Chairman

CERTIFICATION

I, Patsy R. Dyer, Secretary of the Board of Regents of Murray State University, hereby certify that the above resolution was adopted by the Board of Regents in the meeting of Nov. 17, 1987.

Witness my hand and seal, this 17th day of November, 1987.


Patsy R. Dyer, Secretary
Board of Regents
Murray State University
Murray, KY 42071

R E S O L U T I O N A N D O R D E R

WHEREAS, there is a certain building known as the Grounds Maintenance Building (Building # 51), which contains 3,080 square feet and is located near the north side of the Central Heating and Cooling Plant (Building # 43); and

WHEREAS, said building occupies land that has special significance for academic purposes in relation to the continuing development of Murray State University as has previously been approved by this Board of Regents in the Campus Development Plan Update of 1986; and

WHEREAS, the administration of Murray State University has made written request that the Board of Regents enter its order authorizing the disposition of the above mentioned property; and

WHEREAS, said building should, in the judgment of this Board of Regents, pursuant to its duties and functions set out in KRS Chapter 164A.575(7) be razed so the land can be used in conjunction with the construction of the new Industry and Technology Building as part of Murray State University.

NOW THEREFORE, it is hereby determined that said building be razed to make the land available for site development as indicated above, and the Secretary of the Finance and Administration Cabinet is requested to take the necessary action to authorize razing of said building.

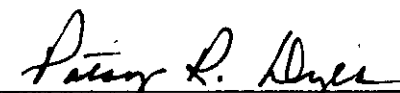
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Patsy R. Dyer, Secretary
Board of Regents
Murray State University
Murray, KY 42071

R E S O L U T I O N A N D O R D E R

WHEREAS, there is a certain building known as the Greenhouse (Building # 95), which contains 2,141 square feet and is located near the north side of the Central Heating and Cooling Plant (Building # 43); and

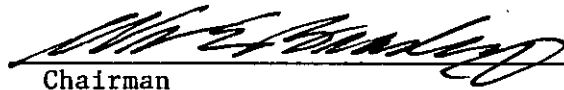
WHEREAS, said building occupies land that has special significance for academic purposes in relation to the continuing development of Murray State University as has previously been approved by the Board of Regents in the Campus Development Plan Update of 1986; and

WHEREAS, the administration of Murray State University has made written request that the Board of Regents enter its order authorizing the disposition of the above mentioned property; and

WHEREAS, said building should, in the judgment of this Board of Regents, pursuant to its duties and functions set out in KRS Chapter 164A.575(7) be razed so the land can be used in conjunction with the construction of the new Industry and Technology Building as part of Murray State University.

NOW THEREFORE, it is hereby determined that said building be razed to make the land available for site development as indicated above, and the Secretary of the Finance and Administration Cabinet is requested to take the necessary action to authorize razing of said building.

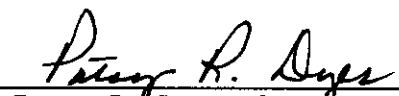
THIS, the 17th day of November 1987.


Chairman

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Patsy R. Dyer, Secretary
Board of Regents
Murray State University
Murray, KY 42071

R E S O L U T I O N A N D O R D E R

WHEREAS, there is a certain building known as the Gatlin House (Building # 110), which contains 3,540 square feet and is located at 401 North 16th Street; and

WHEREAS, said building was purchased because the land has special significance in relation to the continuing development and operation of Murray State University; and

WHEREAS, the administration of Murray State University has made written request that the Board of Regents enter its order authorizing the disposition of the above mentioned property; and

WHEREAS, said building should, in the judgment of this Board of Regents, pursuant to its duties and functions set out in KRS Chapter 164A.575(7) be razed so the land can be used as a "green zone" buffer between two parking lots on North 16th Street at a traffic point for pedestrian crossing to the main academic area as previously approved by this Board of Regents in the Campus Development Plan Update of 1986.

NOW THEREFORE, it is hereby determined that said building be razed to make the land available for site development as indicated above, and the Secretary of the Finance and Administration Cabinet is requested to take the necessary action to authorize razing of said building.

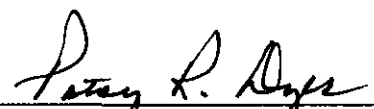
THIS, the 17th day of November 1987.


Chairman

CERTIFICATION

I, Patsy R. Dyer, Secretary of the Board of Regents of Murray State University, hereby certify that the above resolution was adopted by the Board of Regents in the meeting of Nov. 17, 1987.

Witness my hand and seal, this 17th day of November, 1987.


Patsy R. Dyer, Secretary
Board of Regents
Murray State University
Murray, KY 42071

R E S O L U T I O N A N D O R D E R

WHEREAS, there is a certain building known as the Doran House (Building # 41), which contains 2,952 square feet and is located at 1603 Hamilton Avenue; and

WHEREAS, said building was purchased because the land has special significance in relation to the continuing development and operation of Murray State University; and

WHEREAS, the administration of Murray State University has made written request that the Board of Regents enter its order authorizing the disposition of the above mentioned property; and

WHEREAS, said building should, in the judgment of this Board of Regents, pursuant to its duties and functions set out in KRS Chapter 164A.575(7) be razed so the land can be used to expand the Hamilton Avenue parking lot as previously approved by this Board of Regents in the Campus Development Plan Update of 1986.

NOW THEREFORE, it is hereby determined that said building be razed to make the land available for site development as indicated above, and the Secretary of the Finance and Administration Cabinet is requested to take the necessary action to authorize razing of said building.


THIS, the 17th day of November 1987.


Chairman

CERTIFICATION

I, Patsy R. Dyer, Secretary of the Board of Regents of Murray State University, hereby certify that the above resolution was adopted by the Board of Regents in the meeting of Nov. 17, 1987.

Witness my hand and seal, this 17th day of November, 1987


Patsy R. Dyer, Secretary
Board of Regents
Murray State University
Murray, KY 42071

CHE SEMESTER TUITION RATES
Murray State University

FULL-TIME

RESIDENT

	<u>1987-88</u>	<u>1988-89</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>	<u>1989-90</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Undergraduate	500	520	20	4.0	530	10	1.9
Graduate	550	570	20	3.6	580	10	1.8

NON RESIDENT

	<u>1987-88</u>	<u>1988-89</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>	<u>1989-90</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Undergraduate	1500	1560	60	4.0	1590	30	1.9
Graduate	1650	1710	60	3.6	1740	30	1.8

PART-TIME

RESIDENT

	<u>1987-88</u>	<u>1988-89</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>	<u>1989-90</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Undergraduate	45	47	2	4.4	48	1	2.1
Graduate	65	68	3	4.6	69	1	1.5

NON-RESIDENT

	<u>1987-88</u>	<u>1988-89</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>	<u>1989-90</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Undergraduate	128	133	5	3.9	136	3	2.3
Graduate	187	194	7	3.7	198	4	2.0

Attachment # 18

COLLEGE OF INDUSTRY AND TECHNOLOGY
MURRAY STATE UNIVERSITY

STRATEGIC PLANNING DOCUMENT

Developed 1987

COLLEGE OF INDUSTRY AND TECHNOLOGY
STRATEGIC PLANNING DOCUMENT

- GOAL I. STRENGTHENING OUR NATIONAL, REGIONAL, STATE, AND LOCAL REPUTATION
AS AN ACADEMICALLY EXCELLENT COLLEGE OF INDUSTRY AND TECHNOLOGY**
- GOAL II. ENHANCING THE UNIVERSITY'S STUDENT-CENTERED TRADITION**
- GOAL III. ENHANCING THE REGIONAL LEADERSHIP AND SERVICE PROGRAM**
- GOAL IV. CREATING STRONGER EXTERNAL IMAGES AND LEVEL OF SUPPORT**
- GOAL V. ENHANCING MANAGERIAL EFFECTIVENESS**

COLLEGE OF INDUSTRY AND TECHNOLOGY
STRATEGIC PLANNING DOCUMENT

Introduction

The College of Industry and Technology began its strategic planning process in 1987. This process was initiated for the following purposes: (1) to establish key result areas and action steps to facilitate accomplishment of the College's mission and objectives, and (2) to reflect the integration of the College and University's Strategic Plans.

This integration was achieved in three steps. First, the College evaluated the University goals adopting them as stated. Second, the College assessed the uniqueness of the College, then the appropriate University key areas and action steps were either adopted or adapted to "fit" this uniqueness of the College. Third, key result areas and action steps based on the strengths and the limitations of the College were added. The opportunities and challenges from the external environment were determined as they affected the individual departments within the college. Appropriate strategies for meeting the opportunities and/or as deterrents for each challenge were specified. Strengths and barriers of the university were also used to determine action steps upon which to build or overcome in the strategic plan for the college.

The time line denotes that some action steps were in place prior to the development of the Collegiate Strategic Planning Document. The many strengths of the College of Industry and Technology have been functioning and provide a substantial base for growth; thusly they were building blocks for developing the strategic plan. The terminology used for the "status" category within the Document denotes the following:

- "In Progress" - The College is presently developing or or initiating the respective activity.
- "Ongoing" - The College is presently engaged in the respective activity and plans to remain so in the future.
- "Completed" - The College has completed the action.
- "No Progress" - The College has made no progress to date on the respective action but intends to keep the action as a step toward meeting the respective goal.
- "Future" - The College because of restraints or carriers cannot carry out action steps at this time.

The Mission of the College of Industry and Technology was used as a basis for integrating the Universities' Strategic Plan, key areas and action steps into the College's plan. The Mission of the College of Industry and Technology is to prepare students professionally and personally as members of society. Special emphasis is given to career specialties that meet the needs of the region as well as the nation. The three major functions of the college are teaching, research, and service. The seven departments functioning within the College of Industry and Technology are Agriculture, Engineering Technology, Graphic Arts Technology, Home Economics, Industrial Education and Technology, Military Science, and Safety Engineering and Health. The programs include agricultural economics/business, agricultural education, agricultural mechanization, agricultural science, agronomy, and animal health

Introduction -- continued

technology, animal science, child development, civil engineering technology, computer engineering technology, construction technology, dietetics, drafting and design technology, driver education, electrical engineering technology, fashion merchandising, family and consumer studies, food service administration, graphic arts technology, home economics education,

horticulture, housing and interior design, industrial arts education, manufacturing engineering technology, mechanical engineering technology, military science, occupational safety and health technology, pre-forestry, pre-veterinary medicine, printing management, and vocational technical education. Programs are offered at the associate, baccalaureate, and master degree levels.

COLLEGE OF INDUSTRY AND TECHNOLOGY
STRATEGIC PLANNING DOCUMENT

GOAL I: STRENGTHENING OUR NATIONAL, REGIONAL, STATE, AND LOCAL REPUTATION AS AN ACADEMICALLY EXCELLENT COLLEGE OF INDUSTRY AND TECHNOLOGY.

Key Result Areas	Action Steps	By Whom	Time Line	Status 8/31/87
A. Attraction and retention of high quality and diverse faculty	1. Continue process for selection of faculty established by chairs, deans, and VPAA	VPAA/Dean/ Chairs	Ongoing	Ongoing
	2. Selection of faculty consistent with, or exceeding criteria outlines by accrediting agencies	Dean/Chairs Search Committees	Ongoing	Ongoing
	3. Selection consistent with University Affirmative Action Plan	Dean/Chairs Search Committees	Ongoing	Ongoing
	4. Actively support goals contained within the Office of Civil Rights Desegregation Plan	Dean/Chairs Search Committees	Ongoing	Ongoing
	5. Continue process of national searches consistent with College and University policies	Dean/Chairs Search Committees	Ongoing	Ongoing
	6. Determine position needs as appropriate	Dean/Chairs		
	7. Seek external funding for endowed chairs	Foundation/Dean Alumni/Chair	1987-1988	Ongoing
	8. Internal review for campus discrepancies in faculty salaries	Dean/Chairs/ Faculty	1987-1988	Ongoing

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- | | | | |
|---|---|-------------|-----------|
| 9. Participate in faculty exchange programs | | | |
| a. International and national | CIP/Dean/Chairs/
Faculty | In progress | Ongoing |
| b. Executive Exchange with Business
and Industry | Advisory Councils/
Dean/Chairs/
Faculty | 1987-1988 | Ongoing |
| c. Weekly/Daily Exchange with other
educational institutions within the
Region or Commonwealth | Dean/Chairs
Faculty | 1987-1988 | Ongoing |
| 10. Evaluate faculty and staff salaries
requesting adjustment to keep in line
with benchmark institutions | Dean/Chairs | 1985-1986 | Ongoing |
| 11. Maintain flexibility in workloads
providing release time for -- | Dean/Chairs/
Faculty/Staff | 1985-1986 | Ongoing |
| a. scholarly activities | | | |
| b. training exchange with business and
industry | | | |
| 12. Offer appropriate assistance as available
to support scholarly activities | Dean/Chairs | 1985-1986 | Ongoing |
| 13. Reward meritorious faculty performance with
salary increases | Dean/Chairs | 1985-1986 | Ongoing |
| 14. Develop collegiate criteria for recognition
for Regent's Award for Outstanding Teaching | Faculty | 1987-1988 | 1987-1988 |
| 15. Continue the summer faculty professional
development grants | Dean/Chairs | 1985-1986 | Ongoing |
| 16. Encourage cross-departmental faculty
research and development projects | Chairs/Faculty | 1985-1986 | Ongoing |
| 17. Continue collegiate administrative
internships/experiences | Dean/Chairs | 1986-1987 | Ongoing |
| 18. Consolidate part-time teaching lines
into full-time positions as appropriate | Dean/Chairs | 1987-1988 | Ongoing |

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B. Continuing Accreditation	1. Prepare materials needed for Interim SACS visit	Dean/Chairs/ Faculty/Staff	1988-1989	1990
	2. Prepare NCATE materials for Interim-Site Visit in 1988; and Site Visit in 1992	Dean/Chairs/ Teacher Pre- paration Faculty/ Staff	1987	1992
	3. Evaluate Dietetics Program for alignment with Am. Dietetics Association	Dean/HEC Chair/ HEC Faculty	1987-1988	1990
	4. Continue necessary practices and policies to sustain the Technology Accreditation Commission of the Accreditation Board for Engineering and Technology (TAC/ABET)	Dean/ENT Chair/ ENT Faculty	1985-1986	Ongoing
	5. Continue necessary practices and policies to sustain accreditation standards of the Accreditation Board of the American Veterinary Medical Association (AVMA)	Dean/AGR Chair AHT Faculty	1986-1987	Ongoing
C. New Accreditation	1. Prepare materials for self-study and on-site visit from the Foundation of Interior Design Education Research (FIDER)	Dean/HEC Chair/ HEC/IET Faculty/ Staff	1987-1988	Future
	2. Prepare materials for self-study and on-site visit from the American Home Economics Association (AHEA)	Dean/HEC Chair/ HEC Faculty/ Staff	1987-1988	Future
	3. Prepare materials for self-study and on-site visit from the American Society of Safety Engineers (ASSE)	Dean/SEH Chair/ SEH Faculty/ Staff	Fall 1987	Ongoing
	4. Host site visit by the ASSE Accreditation Council	Dean/SEH Chair/	Spring 1988	Spring 1988

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D. Support faculty research and professional development efforts	1. Increase grants development			
	a. Increase applications to CISR	Faculty	1987-1988	Ongoing
	b. Provide assistance for grant writing	Dean/Chairs	1987-1988	Ongoing
	2. Assign release time to faculty when possible and appropriate for research activities	Dean/Chairs	1985-1986	Ongoing
	3. Increase the utilization of graduate assistants to support faculty research	Dean/Chairs/ Faculty	1985-1986	Ongoing
	4. Encourage faculty participation in the University sabbatical leave program	Dean/Chairs	1986-1987	Ongoing
	5. Continue summer professional development leaves	Dean/Chairs	1985-1986	Ongoing
E. Faculty Evaluation	6. Provide information for locating grant funding sources	Dean/Chairs	1985-1986	Ongoing
	7. Pursue current National Science Foundation funding aimed at technology	Dean/Chairs/ Faculty	1987-1988	Ongoing
	1. Review faculty evaluation system and implement changes appropriate for college	Dean/Chairs/ Faculty	1987-1988	1990
	2. Submit annual faculty evaluation by March 1	Dean/Chairs Faculty	1987-1988	1987-1988
	1. Expand Collegiate Honors Day	Dean/Chairs/ Faculty	1985-1986	Ongoing
	2. Implement programs that will encourage students to enter graduate studies	Dean/Chairs/ Faculty	1987-1988	Ongoing
	3. Sponsor an event for School Counselors at Annual State Meeting	Dean/Chairs/ Faculty/Honor Students	1987-1988	Ongoing
F. Increase number of academically excellent students				

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	4. Promote I & T Honor Seminars/Projects/Courses	Dean/Chairs/Faculty/Honor Students	1987-1989	Ongoing
	5. Develop additional recruitment strategies for the academically excelling students	Dean/Chairs/Faculty	1987-1988	Ongoing
G. Development and improvement of academic programs	1. Develop an effective model for assessing the educational outcomes of the students	Dean/Chairs/Faculty	1987-1988	Ongoing
	2. Assess and implement feedback of evaluations from accrediting agencies, university and state agencies	Dean/Chairs/Faculty	1986-1987	Ongoing
	3. Evaluate undergraduate and graduate programs	Dean/Chairs/Faculty	1985-1986	Ongoing
	4. Examine the value of accreditation by the appropriate agencies	Dean/Chairs/Faculty	1987-1988	1990
	5. Study possible interdisciplinary curriculum offerings within the College	Dean/Chairs/Faculty	1986-1987	Ongoing
	6. Evaluate for expansion, maintenance or elimination of the programs offered at Ft. Campbell, Madisonville, Paducah, and other off-campus sites	Dean/Chairs/Faculty	1987-1988	Ongoing
	7. Assess the feasibility of an interdisciplinary Master of Science for the College	Dean/Chairs/Faculty	1987-1988	1990
	8. Encourage public and community service as part of the undergraduate experience	Dean/Chairs/Faculty	1986-1987	Ongoing
	9. Develop the methodology for helping governments and business achieve economic goals through technology transfer	Deans/Chairs/Faculty/Advisory Councils	1986-1987	Ongoing

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	10.	New and Replacement Equipment a. Establish needs and priorities b. Develop plan for securing funds	Dean/Chairs/ Faculty/Advisory Councils	1985-1986	Ongoing
	11.	Establish an outreach effort in coopera- tion with the Rural Development Institute	Dean/Chairs/ Faculty/Rural Development Institute	1987-1988	Ongoing
	12.	Develop a plan for tracking stop/drop- out students (Retention and Program Improvement).	Dean/Chairs/ Faculty	1988-1989	Ongoing
	13.	Provide students with the opportunities to understand how technology can impact society	Chairs/Faculty	1986-1987	Ongoing
	14.	More fully utilize university farm laboratories for academic instruction	Dean/Chairs/ Faculty/Staff	1986-1987	Ongoing
H. Improvement and expan- sion of industry and technology facilities	1.	Continue planning for new I & T Building	Dean/ENT/IET/ SEH Chairs	1985-1986	Ongoing
	2.	New and Replacement Equipment a. Determine needs and priorities b. Develop plan for securing additional funds	Dean/ENT/IET/ SEH Chairs	1986-1987	Ongoing
	3.	Develop and improve a microcomputer-aided instruction lab with software and lab monitor	Dean/Chairs	1987-1988	1989-1990
	4.	Develop and improve the computer-aided design lab with software and lab monitor	Dean/Chairs	1987-1988	1989-1990
	5.	Publicize available computer resources in the College	Dean/Chairs/ Faculty	1986-1987	Ongoing
	6.	Develop a Center for Innovations in Manufacturing Systems	Dean/Chairs/ Faculty	1987-1988	Future
	7.	Continue to develop the university	Dean/AGR Chair	1986-1987	Ongoing

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	laboratory farm	Faculty/Staff		
I. Internationalize Curriculum	1. Determine feasible international study experiences for College	Dean/Chairs/Faculty	1985-1986	Ongoing
	2. Continue and encourage international exchange for faculty and students	Dean/Chairs Faculty/Students	1985-1986	Ongoing
	3. Seek to expand relations with Technology programs in foreign countries	Dean/Chairs/Faculty	1987-1988	Future
	4. Encourage participation in the Kentucky Institute for European Studies, Cooperative Center for Study in Britain, and International Student Exchange Program	Dean/Chairs/Faculty/Students	1985-1986	Ongoing
	5. Develop a plan for more interaction with, and use as resources, the international faculty and students on campus	Dean/Chairs/Faculty	1987-1988	Ongoing
J. Collegiate Academic Policies	1. Review College academic policies	Dean/Chairs	1987-1988	Ongoing
	2. Develop a College Addendum to the University Faculty Handbook	Dean/Chairs/Faculty/Staff	1987-1988	1988-1989
	3. Distribute informational update at collegiate meeting at beginning of Fall and Spring Semesters	Dean	1988	1988-1989

GOAL II. ENHANCING THE UNIVERSITY'S STUDENT CENTERED TRADITION. THE FOLLOWING KEY RESULT AREAS AND ACTION STEPS ARE ADOPTED IN AN EFFORT TO PROMOTE THE PRACTICE AND PHILOSOPHY OF THE CONCERN FOR THE GROWTH AND DEVELOPMENT OF STUDENTS, INCLUDING THEIR INTELLECTUAL GROWTH AND PERSONAL DEVELOPMENT, AND THE QUALITY OF THEIR CAMPUS LIFE.

Key Action Plans	Action Steps	By Whom	Time	Status
A. Intensify focus on recruitment/retention	1. Implement recommendations of Task Force in Recruitment and Retention of Students as appropriate	Dean/Chairs	1985-86	Ongoing

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2.	Support University recruitment efforts	Dean/Chairs/ Faculty/Students	1985-1986	Ongoing
3.	Develop a Collegiate Marketing Plan	Dean/Chairs Faculty/Students	1987-1988	Ongoing
4.	Develop specific recruitment/retention strategies as part of the Marketing Plan	Dean/Chairs/ Faculty/Students	1987-1988	Ongoing
5.	Follow-up "no-show" students; learn why potential enrollments are not realized	Dean/Chairs	1987-1988	Ongoing
6.	Increase high school student/collegiate interaction	Dean/Chairs/ Faculty	1987-1988	Ongoing
	a. Encourage identification of prospective students by instructors/counselors			
	b. Encourage signed high school student admission applications while on recruiting visits			
	c. Track students from junior year in high school thru exit to alumni status			
7.	Set individual program recruiting goals and quotas	Dean/Chairs/ Faculty	1987-1988	Ongoing
8.	Expand recruiting campaign for Ft. Campbell market population to include benefits of ROTC	Dean/MIL Chair/ MIT Faculty	1987-1988	Ongoing
9.	Establish College of Industry & Technology Information Centers around campus, i.e., Curris Center, Dormitories, School Relations, N, S, and Center of Applied Science Building	Dean/Chairs/ Faculty	1987-1988	Ongoing
10.	Recruit college-bound soldiers and dependents at Ft. Campbell and other installations	Dean/MIL Chair/ MIL Faculty	1987-1988	Ongoing
11.	Market "officership" to local business people: "Operations Citizen Soldier"	Dean/MIL Chair/ MIL Faculty	1987-1988	Ongoing

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|-----|---|--|-----------|---------|
| 12. | Emphasize good life and recreational benefits of Murray area | Deans/Chairs/
Faculty | 1985-1987 | Ongoing |
| 13. | Expand "High School Days" i.e., Spring Technology Fair, FFA Field Day, HEC Competition Day, Spring Regional Swine Show for Youth, Fall Regional Steer Show for Youth, Training Clinics for area youth Judging Teams | Dean/Chairs/
IET/AGR/HEC
Faculty | 1985-1986 | Ongoing |
| 14. | Assess the need of other "high school days" | Dean/ENT/SEH/
GAT/MIL Faculty | 1987-1988 | Ongoing |
| 15. | Strengthen high school and collegiate professional organizations | Dean/Chairs/
Organization
Advisors | 1985-1986 | Ongoing |

B. Enhance Financial Aid

- | | | | | |
|----|---|---------------------------|-----------|---------|
| 1. | Increase number of student scholarships | Dean/Chairs | 1985-1986 | Ongoing |
| 2. | Increase number of paid field experiences | Dean/Chairs | 1985-1986 | Ongoing |
| 3. | Increase Commonwealth Work Study Participation | Dean/Chairs/
Faculty | 1985-1986 | Ongoing |
| 4. | Provide free room and board for third and fourth year ROTC scholarships | Housing/Dean
MIL Chair | 1987-1988 | Ongoing |
| 5. | Increase part-time employment of students by private sector | Dean/Chairs | 1985-1986 | Ongoing |
| 6. | Provide remuneration flexibility for graduate assistantships | Dean/Chairs | 1987-1988 | Ongoing |

C. Enhance Advising Process

- | | | | | |
|----|--|-------------|-----------|-----------|
| 1. | Seek ways to recognize and reward good advising | Dean/Chairs | 1987-1988 | 1989-1990 |
| 2. | Encourage participation in University advisor training | Dean/Chairs | 1986-1987 | Ongoing |

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	3. On-line student data base for advising use in Dean's Office	Dean	1987-1988	Completed
	4. Determine other on-line facilities needed	Dean/Chairs	1987-1988	Future
	5. Conduct advising sessions for new faculty	Dean/Chairs	1985-1986	Ongoing
	6. Develop option/advising sheets in each program area	Chairs	1985-1986	Ongoing
D. Improvement of placement services for students and alumni	1. Study the feasibility of developing a collegiate-wide tracking system for graduates of all departments	Dean/Chairs	1987-1988	1990
	2. Create a clerical line if collegiate-wide tracking-system is developed	Dean	1987-1988	Future
	3. Publish annually a directory of graduates showing employment position	Dean/Chairs/ Faculty	1987-1988	Ongoing
	4. Utilize advisory councils' members in each student feeder city	Dean/Chairs/ Advisory Councils	1987-1988	Ongoing
	5. Increase faculty, students, and alumni contact with potential employers	Dean/Chairs/ Faculty/Alumni	1985-1986	Ongoing
	a. Encourage faculty, students, and alumni to visit with on-campus recruiters			
	b. Encourage faculty, students, and alumni to attend career events			
	6. Advertise benefits of industry/business hiring ROTC graduates	Dean/Chairs/ Faculty	1987-1988	Ongoing
E. Promotion of the idea that students are important and special	1. Recognize the positive things that individuals do to promote student-centered atmosphere	Dean/Chairs/ Faculty	1985-1986	Ongoing
	2. Involve students as appropriate on college and department committees and projects	Dean/Chairs/ Faculty/Students	1985-1986	Ongoing

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	3. Promote student professional organizations	Dean/Chairs/ Faculty/Students	1985-1986	Ongoing
	4. Encourage excellence in advising	Dean/Chairs/ Faculty	1985-1986	Ongoing
	5. Encourage and support faculty/ student interaction	Dean/Chairs/ Faculty	1985-1986	Ongoing
	6. Publish Students-Are-Special items in I & T UpDate	Dean/Chairs	1987-1988	Ongoing
	7. Consider use of Student Advising Committee to Chair	Chairs	1987-1988	Ongoing
	8. Sponsor annual departmental awards banquet for students	Chairs/Faculty	1987-1988	Ongoing
	9. Promote faculty/student extra-curricular activities	Chairs/Faculty	1985-1986	Ongoing
F. Development/Enhancement of recruitment and programming for special groups	1. Explore expanding classes in plants for business, industry, and education	Dean/Chairs	1987-1988	Ongoing
	2. Determine needs of the adult learner	Dean/Chairs/ Office of Con- tinuing Educ	1987-1988	Ongoing
	3. Offer needed classes for adult/ nontraditional students at appropriate times	Dean/Chairs/ Faculty	1985-1986	Ongoing
	4. Develop a collegiate marketing plan for recruiting the nontraditional learner	Dean/Chairs/ Office of Con- tinuing Educ	1987-1988	Ongoing
	5. Promote the BIS degree with emphasis on courses in college	Dean/Chairs	1986-1987	Ongoing
	6. Encourage faculty to participate in the	Dean/Chairs	1986-1987	Ongoing

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Minority Student Mentor Program

G. Maintain and provide excellent facilities for student learning	1. Develop procedures and practices for creating safety and security for students and faculty while in building	Dean/Chairs	1987-1988	Ongoing
	2. Provide adequately equipped, well-maintained classrooms and laboratories for student-faculty use	Dean/Chairs/ Faculty	1985-1986	Ongoing
	3. Develop a plan for up-dating obsolete/worn-out equipment and facilities.	Dean/Chairs/ Faculty	1987-1988	Ongoing
	4. Tour building and recommend needed repairs and maintenance to Physical Plant	Dean/Chairs/ Director of Physical Plant	End of Each Semester	Ongoing
	5. Determine modification of I & T facilities to meet needs of the future	Dean/Chairs	1987-1988	Ongoing

GOAL III. ENHANCING THE REGIONAL LEADERSHIP AND SERVICE PROGRAM. THE FOLLOWING KEY AREAS AND ACTION STEPS ARE ADOPTED IN ORDER TO STRENGTHEN THE OUTREACH EFFORTS OF THE COLLEGE.

Key Action Areas	Action Steps	By Whom	Time Line	Status 8/31/87
A. Promotion of regional development	1. Develop a proposal for a Center of Excellence	Dean/Chairs/ Faculty	1987-1988	Future
	2. Continue to serve as a member of the Greater Paducah Economic Development Council (GPEDC)	Dean	1986-1987	Ongoing
	3. Continue to serve on the Board of Directors Murray Calloway County Chamber of Commerce	Dean	1987-1988	1989-1990
	4. Continue to serve on the Governor's Task Forces and Advisory Committees	Dean/Chairs/ Faculty	1985-1987	Ongoing
	5. Development of relationships with other regional and national economic development	Dean/Chairs/ Faculty	1987-1988	Ongoing

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and governmental agencies

6.	Explore funding for research and service to foster regional development	Dean/Director of Grants Dev.	1985-1986	Ongoing
7.	Establish an outreach effort in cooperation with the Rural Development Institute	Dean/Chairs/ Faculty/Rural Development Inst.	1987-1988	Ongoing
8.	Continue to serve as consultants and speakers for the region	Dean/Chairs/ Faculty	1985-1986	Ongoing
9.	Publish an informative booklet promoting expertise of faculty and administration as consultants/speakers	Dean/Chairs	1987-1988	1988
10.	Conduct studies and other professional activities via graduate students	Dean/Chairs/ Faculty/Graduate Students	1985-1986	Ongoing
11.	Field Days to promote new management techniques in Agriculture	Dean/AGR Chair/ AGR Faculty	1987-1988	Ongoing
12.	Cooperate with Vocational Ag Teachers, and other outside agencies in conducting regional applied research	Dean/AGR Chair/ AGR Faculty/Area Ag Services	1987-1988	Ongoing
B. Increased continuing education offerings	1. Increase marketing for the nontraditional student and the continuing education learner	Dean/Chairs/ Faculty/Office of Continuing Education	1985-1986	Ongoing
	2. Assess the courses offered for Continuing Education	Dean/Chairs/ Faculty	1987-1988	Ongoing
	3. Evaluate intersession, short and weekend courses	Dean/Chairs/ Faculty	1987-1988	1990
	4. Continue offering courses thru KET	Dean/Chairs/ Faculty/Office of Continuing Educ	1985-1986	Ongoing

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C. Greater involvement in providing regional leadership	1. Continue to work with regional industries to provide consulting expertise	Dean/Chairs/Faculty	1985-1986	Ongoing
	2. Continue to provide, and act as liaison, between area and regional middle and secondary schools	Dean/Chairs/Faculty	1985-1986	Ongoing
	3. Explore and develop cooperative efforts with regional post-secondary institutions	Dean/Chairs	1986-1987	Ongoing
	4. Conduct/sponsor conferences, distinguished lectures, or regional professional meetings	Dean/Chairs	1987-1988	Ongoing
	5. Help the regional businesses, industries, and educational institutions gain international contacts	Dean/Chairs/Faculty	1987-1988	Ongoing
	6. Develop and implement a plan for increased leadership and service for the region	Dean/Chairs/Faculty	1987-1988	1990

GOALS IV. CREATING A STRONGER EXTERNAL IMAGE AND LEVEL OF SUPPORT. THE FOLLOWING KEY RESULT AREAS AND ACTION STEPS ARE SET FORTH TO STRENGTHEN THE COLLEGE'S IMAGE THUS IMPROVING EXTERNAL RELATIONS FOR THE FURTHER DEVELOPMENT AND FUND-RAISING.

Key Result Areas		Action Steps	By Whom	Time Line	Status 8/31/87
A. Develop and implement a Collegiate Development Program	1.	Establish a priority ranking for financial needs for the college	Dean/Chairs	1987-1988	1988-1989
	2.	Identify sources of external funds	Dean/Chairs	1987-1988	1988-1989
	3.	Develop and implement an annual fund program	Dean/Chairs	1987-1988	Ongoing
	4.	Increase giving by assigning selected corporations for solicitation to alumni,	Dean/Chairs	1986-1987	Ongoing

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faculty, and friends of the college

B. Develop alumni relations	1. Promote alumni participation	Dean/Chairs Alumni	1985-1986	Ongoing
	2. Work closely with Murray State Alumni Association	Dean/Chairs/ MSU Alumni Executive Sec.	1985-1986	Ongoing
	3. Continue and expand the alumni activities i.e., Homecoming Faculty/Alumni	Dean/Chairs/	1985-1986	Ongoing
	4. Encourage faculty to attend area alumni meetings	Dean/Chairs/ Faculty/Office of Alumni Affairs	1985-1986	Ongoing
	5. Encourage students to be involved in MSU Student Alumni Association	Dean/Chairs/ Faculty/Office of Alumni Affairs	1985-1986	Ongoing
	6. Involve alumni in departmental development i.e., recruiting, cooperative educational and placement programs	Dean/Chairs/ Faculty	1985-1986	Ongoing
C. Public Relations and Marketing	1. Develop a marketing plan for the College	Dean/Chairs/ Faculty	1986-1987	Ongoing
	2. Hold a retreat off campus to develop Collegiate Marketing Plan	Dean/Chairs	Fall 1987	1987
	3. Initiate and support awareness campaigns on the value of higher education	Dean/Chairs/ Faculty/Students	1987-1988	Ongoing
	4. Continue regular news releases on important developments, contributions, and accomplishments	Dean/Chairs/ Faculty/Students	1985-1986	Ongoing
	5. Publish an informative booklet promoting expertise of faculty and administration as consultants/speakers	Dean/Chairs Faculty	1987-1988	1988
	6. Continue to work with Murray State Information Service to provide news coverage	Dean/Chairs/ Faculty/Students	1985-1986	Ongoing

GOAL V. ENHANCING MANAGERIAL EFFECTIVENESS. THE FOLLOWING KEY RESULT AREAS AND ACTION STEPS ARE ADOPTED TO IMPROVE MANAGERIAL EFFECTIVENESS IN THE COLLEGE.

Key Result Areas	Action Steps	By Whom	Time Line	Status 8/31/87
A. Establish the procedure for continuation of the planning process	1. Develop a Strategic Plan that is integrated with the University Strategic Plan which emphasizes the uniqueness and strengths of the college	Dean/Chairs	1987	1987
	2. Receive input in the planning process from various College constituencies	Dean/Chairs	1987-1988	Ongoing
	3. Promotion of greater cooperation among units in the college and also among other colleges and their components	Dean/Chairs/ Faculty	1985-1986	Ongoing
	4. Establish a collegiate "Red Tape" Committee to identify and examine efficiency problems making recommendations to administration	Dean/Chairs Faculty/Staff	1987-1988	Ongoing
	5. Work with central administration to cultivate creative solutions to pressing campus problems	Dean/Chairs	1987-1988	Ongoing
B. Maintain an effective collegiate committee structure	1. Determine committees needed to have college function effectively and efficiently	Dean/Chairs	1987-1988	Ongoing
	2. Include selected students on appropriate committees	Dean/Chairs/ Faculty/Students	1985-1986	Ongoing

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C. Effective College

- | | | | |
|---|-------------|-----------|-----------|
| 1. Establish an assistant dean position | Dean | 1988-1989 | 1988-1989 |
| 2. Establish a graduate coordinator position | Dean | 1988-1989 | Ongoing |
| 3. Continue to appoint effective college administrator(s) and departmental chairs | Dean/Chairs | 1985-1986 | Ongoing |
| 4. Continue coordination of College-wide class scheduling and space utilization | Dean/Chairs | 1985-1986 | Ongoing |

D. Evaluation of Strategic Plan

- | | | | |
|---|-------------|--------------|---------|
| 1. Design an evaluation instrument to measure progress of college in meeting the action steps | Dean/Chairs | 1987-1988 | Ongoing |
| 2. Evaluate the progress of the Collegiate Strategic Plan | Dean/Chairs | Each January | |
| 3. Refine and update the strategic plan after evaluation | Dean/Chairs | 1987-1988 | Ongoing |
| 4. Provide an analysis of evaluation | Dean | 1987-1988 | Yearly |



Interoffice communication

subject: Retention of Students
date: October 22, 1987
to: Board of Regents
from: Frank H. Julian *FHJ*
Vice President for Student Development

The Office of Student Development was created on the same day I became vice president at Murray State University, July 1, 1974. The very next month we began to conduct our first study of the dropout patterns of our students. This attrition research has been greatly expanded over the years and continues unabated today.

Not only do we study those who drop out, but those who stay, as well. In fact, the Office of Student Development has conducted diverse research projects on a regular basis, as follows.

- New Student Survey
- Discontinuing Student Survey
- Non-Enrolled Student Survey
- Student Lifestyle Survey
- Underclassman Student Survey
- Graduating Class Analysis
- Senior Survey

Assessment Instruments

- College Student Experiences Questionnaire
- Student Development Task Inventory
- Myers-Briggs Type Indicator

With the professional assistance of the Educational Division of Stein, Inc., Murray State has been conducting marketing research since 1979. We employ the following surveys.

- Faculty Survey
- Staff Survey
- Student Survey
- Alumnus Survey
- High School Student Survey
- Parent Survey
- Community College Student Survey
- High School Counselor Survey
- Non-Enrolled Student Survey

In 1979-81 the first Task Force on the Recruitment and Retention of Students used our local research data plus considerable national data to make over one hundred recommendations. The majority of the Task Force's recommendations have been implemented and are now part of our everyday institutional practice. Some examples follow.

-- "Early Warning System"

The Office of Student Development receives 300-500 "Retention Alert" forms each year. As faculty/staff perceive pre-dropout behaviors, they fill out a card on the student and send it to us. Someone in the office then contacts the student to determine the nature of the student's problem and to offer our assistance.

-- Annual Survey of Graduating Seniors

Such a survey has been conducted every year since this recommendation was made. The information we receive from it is distributed to everyone on campus.

-- Recruitment and Retention Issues Communication

Since 1982 I have written a monthly Recruitment and Retention Newsletter which is sent to all faculty and administrative staff. Recruitment and retention information of local and national interest is shared via this instrument. All research results are published in the Newsletter.

-- Faculty Advisor Training

All new faculty members go through a four session orientation to Murray State conducted by the Faculty Resource Center. Two sessions are devoted to various aspects of student-faculty relationships, including academic advising.

-- Freshman Orientation Classes

All new freshmen are required to take a class designed to ease the transition from high school to college. We continue to make progress on a department-by-department basis in the quality of the design of these classes. These classes can be potent retention devices when they are taught appropriately.

-- Student Involvement

Freshmen review the new Catalogue of Student Organizations, choose the organizations they wish to become involved in, and fill out a form on which they indicate their choices. Then, the computer reads these forms and provides us with lists of interested students for each student organization. The Office of Student Development distributes these names to the student organizations and urges them to invite these students to a meeting early in the fall semester.

-- Advising Information

The Office of Student Development creates an Official Advising Folder for each student. The information in this folder is then used by the student's advisor in assisting the student to select the correct major, classes, etc.

-- Advisor's Handbook

After the first Task Force on the Recruitment and Retention of Students completed its work, a Task Force on Academic Advising was created. One of their many projects was the creation of an Advisor's Handbook which provides each faculty member with just about all the information he/she needs to provide students with first-rate advice.

In 1986 the second Task Force on Recruitment and Retention of Students began its work. This Task Force hopes to have a set of recommendations published by the spring semester. A few of their early recommendations have already been implemented.

- Create an Academic and Personal Planning Guide for each new student.

The "Apple Guide is now in the hands of all freshmen. It is designed to help them plan, set goals, and achieve desired results, both inside and outside the classroom.

- Create concordance between student learning styles and faculty teaching styles.

We have administered the Myers-Briggs Type Indicator to over half of this year's freshman class. We are interpreting the results to the freshmen to help them understand their preferred learning styles, and as soon as gross data

have been analyzed, we will help faculty to understand the learning styles of our freshmen.

- Develop a plan to encourage student involvement in the co-curricular life of campus.

The Murray State Plan for Co-Curricular Development, which is presently under consideration by the Faculty Senate, was created by the Office of Student Development to achieve this goal. Under this program students could receive co-curricular credits for involvement in a wide array of out-of-class activities and services.

FHJ: av

RECRUITMENT AND RETENTION NEWSLETTER

* * * * *

VOL. VIII. No. 3

November 1987

The following data compares enrollment on the 41st day of this semester to the same day last fall.

<u>HEADCOUNT</u>	<u>1987</u>	<u>#increase/ decrease</u>	<u>1986</u>	<u>%increase/ decrease</u>
Total	7426	311	7115	4%
Freshmen	1981	30	1951	2%
Sophomores	1126	-23	1149	-2%
Juniors	1149	-19	1168	-2%
Seniors	1577	140	1437	10%
Others	268	71	197	36%
Undergraduate	6101	199	5902	3%
Graduate	1325	112	1213	9%
Full-Time	5246	60	5186	1%
Part-Time	2180	251	1929	13%
In-State	5725	307	5418	6%
Out-of-State	1701	4	1697	0%
Grant Counties	1140	55	1085	5%
New Freshmen	1266	26	1240	2%
Re-Admissions	600	56	544	10%
Transfers	718	111	607	18%

* * * * *

The following information was extracted from the University of Kentucky Registrar's Office Newsletter.

- UK has 200 fewer freshmen this fall then in 1983.
- The area of growth for UK is out-of-state students who now comprise 19% of the student body (up from 13% in 1983).
- Part-time students now comprise 22% of the student body (up from 17% in 1983).
- While the size of the freshman classes has fallen since 1983, the average ACT composite score has increased as a result of tighter admission standards (from 19.8 in 1983 to 22.4 in 1987).
- Black students have decreased at UK from 5% of the student body to 3.5%.

According to AASCU (American Association of State Colleges and Universities), an organization which represents all the "Murray State's" in the country, the average rate at which freshmen return to regional, comprehensive, state universities for a second year is 63.8%. The return rate for the third year is 52.8% of the original group. These data are almost identical to Murray State's experience over the past five years.

* * * * *

Sometimes national data can be deceptive. When people ask, "What is the four year graduation rate from American colleges and universities?", the answer is 32%. That number has not changed much for a long time. However, that figure includes selective private universities and research universities, both of whom have much higher four year graduation rates. For regional, comprehensive, state universities like Murray State, the four year graduation rate is 20%.

Recently, retention researchers across the country have also begun keeping a second statistic. This figure represents both the students who have graduated and those who are still in school in the ninth semester since their class entered college. Nationally, students who graduated or are still enrolled represent 54% of all students who first enrolled nine semesters earlier. At regional, comprehensive, state universities like Murray State the graduated-or-still-enrolled students represent 40% of the entering class.

All of these "still enrolled" students, however, will not earn degrees. In fact, best estimates are that 45% of American students earn degrees in four or more years from the institution at which they began their studies. That figure is 32% for universities of Murray State's type.

* * * * *

According to American Demographics, since the turn of the century the national graduation rate from four-year institutions has averaged 45% and has not varied by more than 8% in any year since then. Shifting economic conditions seem to be the major influence on continuing college enrollment.

Women are more likely than men to graduate in four years, but no differences are noted between the sexes when no time limits are placed on graduation. As a group, blacks and hispanics are much less likely to graduate, but the effect of ethnicity disappears when we control for differences in socioeconomic status. In fact, the brightest black students are 13.8% less likely to drop out than are the brightest white students.

* * * * *

Of 100 students who begin college at two-year colleges . . .

- 42 will drop out or flunk out of their two year college.
- 31 will transfer to another institution before the passage of two years.
- 25 of the 31 will transfer to a four-year institution.
- 13 of the 31 will eventually earn a degree from a four-year institution.

Hence, 27 of the original 100 will persist to graduation via continuous enrollment at their first institution. 13 will complete a two year degree in two years. 14 will take more than two years to complete the degree requirements. An additional 6 students who had dropped out will return and eventually graduate from a two year college.

* * * * *

According to a study by AASCU (American Association of State Colleges and Universities), the five leading negative campus characteristics which lead to student attrition are . . .

- (1) Inadequate academic advising;
- (2) Conflict between class schedule and job;
- (3) Inadequate financial aid;
- (4) Inadequate counseling support, especially career counseling;
- (5) Inadequate personal contact between students and faculty.

A similar study by ACT-NCHEMS established a slightly different "negative top five":

- (1) Inadequate academic advising;
- (2) Inadequate student/faculty contact outside of class;
- (3) Inadequate curricular offerings;
- (4) Lack of staff caring and concern for individual students;
- (5) Conflict between off-campus job and classes.

The five most positive campus retention characteristics were also noted in the ACT-NCHEMS study:

- (1) Openly caring attitude of faculty and staff;
- (2) High quality instruction;
- (3) Adequate financial aid;
- (4) High quality academic advisement;
- (5) Campus-wide encouragement of student involvement in campus life.

When we go head-to-head with other institutions for our freshmen, Murray State continues to win the battle for the better students. When one compares the ACT scores of our freshmen who applied elsewhere but chose Murray State against the ACT scores of students who applied to Murray State but enrolled elsewhere, the following picture emerges.

<u>Institution</u>	<u>ACT of students choosing MSU</u>	<u>ACT of students choosing competitors</u>
Austin Peay State University	17.2	16.1
Eastern Kentucky University	18.3	17.2
Paducah Community College	16.1	15.5
Southeast Missouri State University	18.8	17.4
Southern Illinois University	21.1	18.2
University of Kentucky	19.3	17.8
University of Louisville	18.2	16.5
University of Tennessee @ Martin	19.3	16.8
Western Kentucky University.	17.2	16.3

* * *

QUESTION:

If a student expresses a strong interest in Murray State but later changes his/her mind, where is he/she most likely to go to school?

ANSWER: Western, UK, and PCC, in that order.

QUESTION:

If a student expresses a strong interest in another university but later changes his/her mind and attends Murray State, in what other institution had the student most likely expressed interest?

ANSWER: UK and Western, in that order.

* * * * *

As part of our annual Senior Survey we ask our senior students to evaluate various university services. Here are the user's response averages for the past five (5) years. (1=unacceptable, 2=could use improvement, 3=satisfactory, 4=good, 5=very good, 6=excellent).

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Admissions	4.21	4.05	3.98	3.96	4.04
Registration	3.99	3.75	3.89	2.74	3.48
Student Records	3.91	3.84	3.72	3.95	3.87
Business Office	3.91	3.76	3.75	3.83	3.81
Academic Advising	4.02	3.96	3.63	4.24	4.39
Counseling & Testing	4.06	4.18	4.25	4.45	4.32
Career Planning	3.69	3.73	3.84	4.21	4.03
Learning Center	4.41	4.46	4.24	4.56	4.36
Intramurals	4.70	4.59	4.38	4.80	4.53
Financial Aid	4.27	4.24	4.05	4.25	4.29
Student Employment	4.77	4.17	4.22	4.36	4.33
Placement	4.18	4.04	4.04	4.45	4.08
Cooperative Education	3.81	4.51	3.41	3.97	3.88
Health Services	4.15	4.53	4.14	4.38	4.62
Food Service	2.99	3.42	3.12	3.15	3.51
Housing	3.46	3.63	3.23	3.14	3.42
Library	4.04	4.50	4.07	4.53	4.56
University Store	3.92	4.06	3.94	4.21	4.01
Curris Center	5.39	5.15	5.07	5.32	5.21
Student Activities	4.30	4.42	4.20	4.77	4.45
Parking	2.40	2.51	2.18	2.48	2.38
Security	3.43	3.22	3.27	3.85	3.39

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How many non-assigned books do our students read during the school year?
Two-thirds read fewer than five non-assigned books. Fifteen percent (15%) read more than ten.

(Source: College Student Experiences Questionnaire)

As discussed last month in this Newsletter, the Myers-Briggs Type Indicator describes sixteen different learning style preferences by combining four contrasting sets of preferences: Extroversion-Introversion, Sensing-Intuition, Feeling-Thinking, and Judging-Perceiving. According to the Center for Applications of Psychological Type at the University of Florida, typical instructional practices are biased toward Introversion (I) and Intuition (N) and against Extroversion (E) and Sensing (S). Relatedly, a recent study at Ball State University (Schurr and Ruble) found that . . .

- Introverts (I) received higher grades than Extroverts (E), yet 64% of the BSU freshmen were Extroverts.
- Students who prefer Sensing (S) made lower grades than those who prefer Intuition (N). Intuitives comprised 41% of the freshmen.
- The best grades were made by Introverted Intuitives (IN types, the leading faculty typology), but IN's comprised just 12% of the freshmen.
- The Judging (J) - Perceiving (P) preference accounted for the largest variation in academic performance, independent of aptitude and achievement measures. Perceptives made poorer grades than Judging types.
- Expectedly, Perceptive Extroverts (EP), who comprised 26% of freshmen at BSU, achieved lower grades than Judging Introverts (IJ), who comprised 24% of freshmen.
- Students who prefer Extroversion, Sensing, and Perception (ESP) found themselves in a very foreign environment and were likely to experience academic difficulties in college unless/until the students adjusted their learning styles.
- Conversely, people who prefer a Judging approach and prefer both Intuition and Introversion (INJ) were very comfortable in the college setting, but INJ's comprised just 5.4% of the BSU freshmen.

A few thought-provoking quotes from the leading researchers in the field of retention . . .

"Shifting the purpose of education from teaching semester courses to producing student learning is a conceptual change of major proportions."

Dr. K. Patricia Cross

"A faculty member who could so fire the imagination and talents of students that 90% of them stayed with their studies through graduation would be a bargain at \$250,000/year."

Dr. Lee Noel

"The percentage of faculty who hold terminal degrees, the student/faculty ratio, the average faculty salary, and the number of volumes in the library are four factors which seem to be unrelated to student learning and retention."

Dr. Lee Noel

"Educational development flows from a number of synergistic factors: co-curricular involvement, frequent faculty/staff-student interaction, living on campus, full-time student status, and on-campus employment."

Dr. Alexander Astin

"The mission of the university must be the full education of its students. Effective institutions reach out and contact students and develop integrated communities Our progressive goals must be contact, involvement, and social and academic integration."

Dr. Vincent Tinto

"A university is what happens to a college when the faculty and staff stop thinking and caring about students."

Dr. Randi Levitz

TRANSFER OF OWNERSHIP AGREEMENT

Attachment # 13

This is to acknowledge receipt from the Kentucky Association of Electric Cooperatives of the following listed appliances, which hereafter shall be the sole property of Murray State University. By this agreement, Murray State University assumes sole responsibility for repair and maintenance of these appliances and is entitled to the benefit of any unexpired manufacturer's warranties at the time of transfer.

Appliance	Cost	Model #	Serial #
30" Conv. Range	\$246.00	JBS26	DV112937G
30" Conv. Range	\$246.00	JBS26	DV112919G
30" S/C Range	\$334.00	JBP26	AV221551G
30" S/C Range	\$334.00	JBP26	AV221566G
30" S/C Range	\$334.00	JBP26	AV221490G
30" S/C Range	\$334.00	JBP26	AV221591G
30" S/C Range	\$334.00	JBP26	AV221523G
Refrigerator	\$425.50	ET18PKXS	E70316399
Refrigerator	\$425.50	ET18PKXS	E70319035
Refrigerator	\$425.50	ET18PKXS	E70318145
Refrigerator	\$425.50	ET18PKXS	E70319079
Refrigerator	\$425.50	ET18PKXS	E70319061
Refrigerator	\$425.50	ET18PKXS	E70318835
Refrigerator	\$425.50	ET18PKXS	E70319098
Refrigerator	\$425.50	ET18PKXS	E70319057
Refrigerator	\$425.50	ET18PKXS	E70318873
Upright Freezer	\$300.00	EV150CXSK	S70335562
Washer	\$266.50	LA6300XS	C70202784
Washer	\$266.50	LA6300XS	C71003914
Dryer	\$208.50	LE5700XS	M70313485
Dryer	\$208.50	LE5700XS	M71427104
Dishwasher	\$266.00	DP3000XR	F70210669
Microwave	\$185.00	MW8650XS	M70204617
Microwave	\$185.00	MW8650XS	M70204596
Microwave	\$185.00	MW8650XS	M70203455
Trash compactor	\$243.00	TF4500XR	D70927972
TOTAL COST		\$8,306.00	

NAME

DATE

RESOLUTION RELATING TO THE
\$14,785,000 MURRAY STATE UNIVERSITY
CONSOLIDATED EDUCATIONAL BUILDINGS
REVENUE BONDS, SERIES G

RECITALS

A. The Board of Regents of Murray State University (the "Board"), at its meeting on November 17, 1987, passed and adopted a Resolution, entitled

A RESOLUTION AUTHORIZING THE ISSUANCE OF
MURRAY STATE UNIVERSITY CONSOLIDATED EDUCA-
TIONAL BUILDINGS REVENUE BONDS, SERIES G,

said Resolution being referred to herein as the
"Series G Resolution."

B. Pursuant to Section 2.11 of the Series G Resolution, the Treasurer has caused to be published a Notice of Bond Sale with respect to the Series G Bonds for the information of potential bidders and has furnished copies of an Official Statement and Official Terms and Conditions of Bond Sale to interested persons requesting the same.

C. Under the terms of the Notice of Bond Sale and the Official Terms and Conditions of Bond Sale, it is provided that proposals for purchase of the Series G Bonds would be received by the Board until 10:00 a.m. C.S.T. on December 2, 1987.

D. The following proposals for purchase of the Series G Bonds have been received in due time and acceptable form:

A. Bidder: Smith Barney, Harris Upham & Co., Incorporated

Bonds Maturing May 1,	Estimated Principal Amount	Interest Rate Offered (%)	Interest Cost = <u>7.876763%</u>
1989	\$ 355,000	<u>5.75</u>	
1990	375,000	<u>6.00</u>	
1991	400,000	<u>6.10</u>	
1992	420,000	<u>6.30</u>	
1993	445,000	<u>6.40</u>	
1994	470,000	<u>6.60</u>	
1995	510,000	<u>6.75</u>	
1996	545,000	<u>6.90</u>	
1997	575,000	<u>7.10</u>	
1998	615,000	<u>7.25</u>	
1999	655,000	<u>7.40</u>	
2000	895,000	<u>7.50</u>	
2001	955,000	<u>7.70</u>	
2002	1,030,000	<u>7.80</u>	
2003	1,110,000	<u>8.00</u>	
2004	1,200,000	<u>8.00</u>	
2005	1,300,000	<u>8.00</u>	
2006	1,405,000	<u>8.00</u>	
2007	1,525,000	<u>8.00</u>	

B. Bidder: John Nuveen & Co., Incorporated

Bonds Maturing May 1,	Estimated Principal Amount	Interest Rate Offered (%)	Interest Cost = <u>7.950485%</u>
1989	\$ 355,000	<u>5.50</u>	
1990	375,000	<u>5.75</u>	
1991	400,000	<u>6.00</u>	
1992	420,000	<u>6.25</u>	
1993	445,000	<u>6.50</u>	
1994	470,000	<u>6.70</u>	
1995	510,000	<u>6.90</u>	
1996	545,000	<u>7.00</u>	
1997	575,000	<u>7.10</u>	
1998	615,000	<u>7.25</u>	
1999	655,000	<u>7.40</u>	
2000	895,000	<u>7.60</u>	
2001	955,000	<u>7.75</u>	
2002	1,030,000	<u>7.90</u>	
2003	1,110,000	<u>8.00</u>	
2004	1,200,000	<u>8.00</u>	
2005	1,300,000	<u>8.10</u>	
2006	1,405,000	<u>8.10</u>	
2007	1,525,000	<u>8.10</u>	

C. Bidder: Merrill Lynch Capital Markets & Associates

Bonds Maturing May 1,	Estimated Principal Amount	Interest Rate Offered (%)	Interest Cost = <u>7.962047%</u>
1989	\$ 355,000	<u>7.40</u>	
1990	375,000	<u>7.40</u>	
1991	400,000	<u>7.40</u>	
1992	420,000	<u>7.40</u>	
1993	445,000	<u>7.40</u>	
1994	470,000	<u>7.40</u>	
1995	510,000	<u>7.40</u>	
1996	545,000	<u>7.40</u>	
1997	575,000	<u>7.40</u>	
1998	615,000	<u>7.40</u>	
1999	655,000	<u>7.50</u>	
2000	895,000	<u>7.60</u>	
2001	955,000	<u>7.70</u>	
2002	1,030,000	<u>7.80</u>	
2003	1,110,000	<u>7.90</u>	
2004	1,200,000	<u>7.90</u>	
2005	1,300,000	<u>8.00</u>	
2006	1,405,000	<u>8.00</u>	
2007	1,525,000	<u>8.00</u>	

D. Bidder: Citicorp Investment Bank

Bonds Maturing May 1,	Estimated Principal Amount	Interest Rate Offered (%)	Interest Cost = <u>7.985799%</u>
1989	\$ 355,000	<u>5.75</u>	
1990	375,000	<u>6.00</u>	
1991	400,000	<u>6.25</u>	
1992	420,000	<u>6.50</u>	
1993	445,000	<u>6.70</u>	
1994	470,000	<u>6.80</u>	
1995	510,000	<u>7.00</u>	
1996	545,000	<u>7.10</u>	
1997	575,000	<u>7.20</u>	
1998	615,000	<u>7.30</u>	
1999	655,000	<u>7.40</u>	
2000	895,000	<u>7.60</u>	
2001	955,000	<u>7.70</u>	
2002	1,030,000	<u>7.80</u>	
2003	1,110,000	<u>7.90</u>	
2004	1,200,000	<u>8.00</u>	
2005	1,300,000	<u>8.10</u>	
2006	1,405,000	<u>8.20</u>	
2007	1,525,000	<u>8.25</u>	

E. Bidder: Clayton Brown & Associates

Bonds Maturing May 1,	Estimated Principal Amount	Interest Rate Offered (%)	Interest Cost = <u>8.005179%</u>
1989	\$ 355,000	5.80	
1990	375,000	6.00	
1991	400,000	6.20	
1992	420,000	6.40	
1993	445,000	6.60	
1994	470,000	6.80	
1995	510,000	7.00	
1996	545,000	7.10	
1997	575,000	7.30	
1998	615,000	7.40	
1999	655,000	7.50	
2000	895,000	7.70	
2001	955,000	7.80	
2002	1,030,000	7.90	
2003	1,110,000	8.00	
2004	1,200,000	8.10	
2005	1,300,000	8.10	
2006	1,405,000	8.20	
2007	1,525,000	8.25	

F. Bidder: _____

Bonds Maturing May 1,	Estimated Principal Amount	Interest Rate Offered (%)	Interest Cost = _____
1989	\$ 355,000		
1990	375,000		
1991	400,000		
1992	420,000		
1993	445,000		
1994	470,000		
1995	510,000		
1996	545,000		
1997	575,000		
1998	615,000		
1999	655,000		
2000	895,000		
2001	955,000		
2002	1,030,000		
2003	1,110,000		
2004	1,200,000		
2005	1,300,000		
2006	1,405,000		
2007	1,525,000		

G. This duly authorized committee of the Board (the "Committee") has considered the matter of which bid is most advantageous to the Board.

NOW, THEREFORE, this Committee, acting as a duly authorized committee of and on behalf of the Board of Regents of Murray State University, hereby resolves as follows:

1. The Series G Resolution, as passed and adopted by the Board on November 17, 1987, is hereby approved, ratified and confirmed in all respects.

2. The proposal of Smith Barney, Harris Upham & Co., Incorporated for the purchase of the \$14,785,000 "Murray State University Consolidated Educational Buildings Revenue Bonds, Series G," dated December 1, 1987 (the "Series G Bonds"), is hereby accepted as the highest and best bid (the "Successful Bid"), with the following maturities and interest rates applying to such maturities:

<u>Bonds Maturing May 1,</u>	<u>Interest Rate (%)</u>	<u>Aggregate Principal Amount (\$)</u>
1989	5.75	355,000
1990	6.00	375,000
1991	6.10	400,000
1992	6.30	420,000
1993	6.40	445,000
1994	6.60	470,000
1995	6.75	510,000
1996	6.90	545,000
1997	7.10	575,000
1998	7.25	615,000
1999	7.40	655,000
2000	7.50	895,000
2001	7.70	955,000
2002	7.80	1,030,000
2003	8.00	1,110,000
2004	8.00	1,200,000
2005	8.00	1,300,000
2006	8.00	1,405,000
2007	8.00	1,525,000

Interest Cost = 7.876763 %
\$15,079,307.95

3. The interest rates and maturities of the Series G Bonds are hereby fixed as set forth above.

4. The Series G Bonds maturing on and after May 1, 1999 shall be redeemable prior to maturity in accordance with the Basic Resolution, at the times and the redemption prices described on the cover page of the Preliminary Official Statement for the Series G Bonds dated November 20, 1987.

5. The Series G Bonds as identified in the Series G Resolution shall be delivered by the officers of the Board in accordance with the terms of the Series G Resolution as soon as ready.

6. The confirmation of the Successful Bid subjects the Board to no liability if it is unable to obtain the final approving legal opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel; but also the purchaser shall not be required to take up the Series G Bonds without the final approving legal opinion of Bond Counsel aforesaid.

7. This Resolution shall be in full force and effect from and after its adoption.

ADOPTED DECEMBER 2, 1987

ADP5/509

OFFICIAL BID FORM

December 2, 1987

To the Honorable Chairman and
Members of The Board of Regents of
Murray State University
c/o Mr. Robert R. Ramsey, Jr., Secretary
Office of Vice President for Finance
and Administrative Services
3rd Floor, Sparks Hall
Murray, Kentucky 42071

Gentlemen:

Pursuant to your "Official Terms and Conditions of Bond Sale," the undersigned offers to purchase all, but not less than all, of your "Murray State University Consolidated Educational Buildings Revenue Bonds, Series G," dated December 1, 1987 in accordance with and subject to the terms set forth in the Official Terms and Conditions of Bond Sale.

We hereby bid for said \$14,785,000 aggregate principal amount of Bonds the sum of \$ 14,490,108.30 (not less than \$14,489,300); plus accrued interest from December 1, 1987 at the following rates (interest on ascending scale in multiples of 1/20 or 1/10 of 1%; rate differential not to exceed 3%):

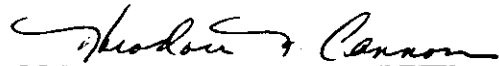
<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
1989	\$355,000	<u>5.75</u> %	1999	\$ 655,000	<u>7.40</u> %
1990	375,000	<u>6.00</u> %	2000	895,000	<u>7.50</u> %
1991	400,000	<u>6.10</u> %	2001	955,000	<u>7.70</u> %
1992	420,000	<u>6.30</u> %	2002	1,030,000	<u>7.80</u> %
1993	445,000	<u>6.40</u> %	2003	1,110,000	<u>8.00</u> %
1994	470,000	<u>6.60</u> %	2004	1,200,000	<u>8.00</u> %
1995	510,000	<u>6.75</u> %	2005	1,300,000	<u>8.00</u> %
1996	545,000	<u>6.90</u> %	2006	1,405,000	<u>8.00</u> %
1997	575,000	<u>7.10</u> %	2007	1,525,000	<u>8.00</u> %
1998	615,000	<u>7.25</u> %			

It is understood that the Bonds are offered for sale subject to the interest on the Bonds not being includable in gross income for present Federal income tax purposes (as described under "Tax Treatment" in the Preliminary Official Statement for the Bonds), and the Bonds and the interest thereon being exempt from Kentucky ad valorem and income taxation on the date of the delivery of the Bonds to the successful bidder. It is also understood that the Board of Regents of Murray State University will furnish a final approving legal opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel, subject to whose approving legal opinion the Bonds are sold, and will furnish printed bond forms and the usual closing proofs, including the customary no-litigation certificate, to the successful bidder.

The successful bidder shall not be required to take up and pay for the Bonds unless delivery is made within forty-five days from the date hereof. Upon delivery the successful bidder shall take up and pay for the Bonds in FEDERAL FUNDS. It is anticipated that the Bonds will be tendered for delivery on or prior to December 17, 1987.

A certified check or bank cashier's check in the amount of \$295,700 payable to Murray State University is enclosed in accordance with the Official Terms and Conditions of Bond Sale.

Respectfully submitted,



Authorized Signature

Smith Barney, Harris Upham & Co.,
Incorporated

Name of Bidder

1345 Avenue of the Americas

New York, New York 10105

Address

The foregoing is our purchase bid. We submit our own computation thereof only for your information and convenience:

- (a) Total interest cost at stated interest
rates from December 1, 1987 to final
maturity
(b) Percent Interest Cost

\$ ~~14,490,108.30~~ 15,079,307.95
\$ 7.876763
(Six decimals)

Accepted this 2nd day of December, 1987, for the purchase price of \$ 14,490,108.30, plus accrued interest from December 1, 1987.

BOARD OF REGENTS
MURRAY STATE UNIVERSITY
Murray, Kentucky

By 
Vice - Chairman

ATTEST:


Secretary, Board of Regents

Return of or credit for Bid
deposit hereby acknowledged:

Authorized Representative